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APPROPRIATION LANGUAGE

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, \$41,208,000,000 to remain available until expended: Provided, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury: Provided further, That not more than \$101,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2021.

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2020, \$19,700,000,000, to remain available until expended.

Note - A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

LANGUAGE ANALYSIS

The appropriation language provides the Social Security Administration (SSA) with the funds needed to carry out its responsibilities under the Supplemental Security Income (SSI) program. This includes the funds needed to pay Federal benefits, administer the program, and provide beneficiary services to recipients. The budget authority for these activities is made available until expended, providing SSA the authority to carryover unobligated balances for use in future fiscal years. Furthermore, a portion of this funding is made available for SSA to conduct research and demonstration projects, which is available for 3 years, providing SSA the authority to carryover unobligated balances into the next fiscal year.

In addition, the language provides SSA with indefinite authority beginning June 15 in the event Federal benefit payment obligations in FY 2018 are higher than expected and SSA does not have sufficient unobligated balances to cover the difference. Consistent with previous years, the appropriation also includes an advance appropriation for Federal benefit payments in the first quarter of FY 2020 to ensure the timely payment of benefits in case of a delay in the FY 2020 appropriations bill.

Table 2.1—Appropriation Language Analysis

Language provision	Explanation
“For carrying out titles XI and XVI of the Social Security Act... including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, \$41,208,000,000, to remain available until expended.”	Appropriates funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects under the SSI program. SSA may carryover unobligated balances for use in future fiscal years.
"Provided, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury."	Ensures that states do not carry unobligated balances of Federal funds into the subsequent fiscal year. Applies primarily to the beneficiary services activity.
<i>Provided further</i> , That not more than \$101,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2021.	Specifies that not more than \$101 million of the SSI appropriation is available for research and demonstration projects. SSA may carryover unobligated balances through September 30, 2021.
"For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary."	Provides an indefinite appropriation to finance any shortfall in the definite appropriation for benefit payments during the last months of the fiscal year.
"For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2020, \$19,700,000,000, to remain available until expended."	Appropriates funds for benefit payments in the first quarter of the subsequent fiscal year. Ensures that recipients will continue to receive benefits during the first quarter of FY 2020 in the event of a temporary funding hiatus.

GENERAL STATEMENT

The SSI program guarantees a minimum level of income to financially needy individuals who are aged, blind, or disabled. The program was created in 1972 by Title XVI of the Social Security Act and payments began January 1974. It is Federally-administered and funded from general revenues.

Prior to the establishment of the SSI program, the Social Security Act provided means-tested assistance through three separate programs—Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. Federal law only established broad guidelines, with each state largely responsible for setting its own eligibility and payment standards. The SSI program was established to provide uniform standards across states.

Table 2.2—Summary of Appropriations and Obligations¹
(in thousands)

	FY 2017 Actual	FY 2018 Estimate²	FY 2019 Estimate	<i>Change</i>
Appropriation	\$ 58,118,163	\$ 53,554,000	\$ 60,708,000	+ \$ 7,154,000
Obligations	\$ 59,899,760	\$ 56,235,285	\$ 61,238,730	+ \$ 5,003,445
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 15,000,000	\$ 19,500,000	\$ 19,700,000	+ \$ 200,000

PROGRAM OVERVIEW

Eligibility Standards

As a means-tested program, individuals must have income and resources below specified levels to be eligible for benefits. Rules allow some specific categories of income and resources to be either totally or partially excluded.³ The process of evaluating eligibility and payment levels for the SSI program and addressing the accuracy of payments is inherently complex due to the different rules.

An individual's benefit payment is reduced dollar for dollar by the amount of their "countable income"—income less all applicable exclusions—in a given month. Income in the SSI program

¹ Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the Limitation on Administrative Expenses (LAE) appropriation.

² A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

³ The ABLE Act of 2014 created a new type of tax-advantaged account that has a limited effect on an individual's eligibility for the SSI program and other Federal means-tested programs.

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includes “earned income” such as wages and net earnings from self-employment; and “unearned income” such as Social Security benefits, unemployment compensation, deemed income from a spouse or parent, and the value of in-kind support and maintenance such as food and shelter. Different exclusion rules apply for different types of income.

Benefit Payments

SSA estimates it will pay \$56.2 billion in Federal benefits to 8 million SSI recipients in FY 2019. Including state supplementary payments, SSA expects to pay a total of \$59 billion and administer payments to nearly 8.2 million recipients.

Federal benefit payments represent approximately 92 percent of Federal SSI spending. Administrative expenses represent about 8 percent of spending; beneficiary services and research and demonstration projects make up the remaining less than one percent.

Incentives for Work and Opportunities for Vocational Rehabilitation

The SSI program is designed to help recipients with disabilities achieve independence by encouraging and supporting their attempts to work. The program includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits. The program also includes provisions to help disabled beneficiaries obtain vocational rehabilitation and employment support services. These provisions were revised by legislation establishing the Ticket to Work program, discussed in more detail in the Beneficiary Services section.

State Supplementation

Supplementation is mandatory for certain recipients who were on state rolls just prior to the creation of the Federal program on January 1, 1974. Otherwise, states are encouraged to supplement the Federal benefit and may elect to have their state supplementation program administered by SSA. States that choose to have SSA administer their program reimburse SSA in advance and SSA makes the payment on behalf of the state. Participating states also reimburse SSA for the cost of administering their program, based on a user fee schedule established by the Social Security Act. The user fee is \$11.87 per SSI check payment in FY 2018 and is expected to increase to \$12.17 in FY 2019. The Department of the Treasury receives the first \$5.00 of each fee and SSA retains the amount over \$5.00. Additional information regarding state supplementation can be found within the LAE section.

Coordination with Other Programs

SSA plays an important role in helping states administer Medicaid and the Supplemental Nutrition Assistance Program (SNAP). Provisions in the SSI statute ensure that payments made by states or under the Social Security program are not duplicated by SSI benefits.

Generally, SSI recipients are categorically eligible for Medicaid. States may either use SSI eligibility criteria for determining Medicaid eligibility or use their own, provided the criteria are no more restrictive than the state’s January 1972 medical assistance standards.

SSI recipients may qualify for SNAP. Social Security offices work with SSI applicants and recipients in a variety of ways to help them file for SNAP, including informing them of their potential benefits, making applications available to them, and in some cases helping them complete their applications. Social Security also shares applicant data with a number of states in support of SNAP.

FY 2019 PRESIDENT’S BUDGET REQUEST

The SSI appropriation includes funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In total, the President’s Budget request for FY 2019 is \$60,708,000,000. However, this includes \$19,500,000,000 requested for the first quarter of FY 2019 in the FY 2018 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2019, \$41,208,000,000—the total amount requested for FY 2019 less the advance expected.

Similarly, in addition to the amount above, the request includes an advance appropriation of \$19,700,000,000 for Federal benefit payments in the first quarter of FY 2020. This advance is to ensure recipients continue to receive their benefits at the beginning of the subsequent fiscal year in case there is a delay in passing that year’s appropriation.

Table 2.3—Appropriation Detail ^{1,2,3}
(in thousands)

	FY 2017 Actual	FY 2018 Estimate⁴	FY 2019 Estimate	Change
Advance for Federal Benefits ⁵	\$ 14,500,000	\$ 15,000,000	\$ 19,500,000	
Regular for Federal Benefits	\$ 38,441,736	\$ 33,236,000	\$ 36,216,000	
Subtotal Federal Benefits	\$ 52,941,736	\$ 48,236,000	\$ 55,716,000	+ \$ 7,480,000
Base Administrative Expenses	\$ 3,706,485	\$ 3,681,000	\$ 3,457,000	- \$ 224,000
Program Integrity (Base)	\$ 222,000	\$ 209,000	\$ 245,000	+ \$ 36,000
Program Integrity (Cap)	\$ 1,100,942	\$ 1,168,000	\$ 1,063,000	- \$ 105,000
Subtotal Administrative Expenses	\$ 5,029,427	\$ 5,058,000	\$ 4,765,000	- \$293,000
Beneficiary Services	\$ 89,000	\$ 159,000	\$ 126,000	- \$ 33,000
Research and Demonstration	\$ 58,000	\$ 101,000	\$ 101,000	\$ 0
Subtotal Advanced Appropriation	\$ 14,500,000	\$ 15,000,000	\$ 19,500,000	
Subtotal Regular Appropriation	\$ 43,618,163	\$ 38,554,000	\$ 41,208,000	
Total Appropriation	\$ 58,118,163	\$ 53,554,000	\$ 60,708,000	+ \$ 7,154,000
Advance for Subsequent Year	\$ 15,000,000	\$ 19,500,000	\$ 19,700,000	+ \$ 200,000

¹ Does not include state supplementary payments and reimbursements or the corresponding state supplementary user fee collections; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

³ There are 12 payments in FY 2017 and FY 2019 and 11 payments in FY 2018.

⁴ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President’s Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President’s Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA’s Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President’s Budget levels.

⁵ Amount provided or requested in the previous year’s appropriation bill.

KEY INITIATIVES

SSA continues to pursue efforts to ensure the proper management and stewardship of the SSI program.

Payment Accuracy

For more than 80 years, SSA has been committed to paying the right benefit to the right person at the right time. The challenge of meeting this goal is especially apparent in the administration of the SSI program because eligibility and payment amounts are so closely tied to the fluctuating circumstances of individual recipients. In FY 2016, 92.4 percent of SSI benefit payments were free of overpayment errors and 98.8 percent were free of underpayment errors. The vast majority of incorrect payments are the result of unreported changes to recipients' incomes, resources, or living arrangements.

While maintaining and improving payment accuracy remains a challenge, SSA considers it a matter of great importance to continue to improve administration of the SSI program. SSA has taken steps to prevent overpayments before they occur and is addressing the two largest (in dollar amounts) causes of overpayments: unreported wages and unreported bank accounts.

Continuing Disability Reviews and Non-Disability Redeterminations

SSI continuing disability reviews (CDRs) are periodic reviews conducted to ensure recipients are still disabled according to agency rules. The frequency of these reviews is dependent on the likelihood that a recipient's medical condition will change. Non-disability redeterminations (redeterminations) are periodic reviews that verify living arrangements, income levels, and other non-disability factors related to SSI eligibility. Similar to CDRs, the frequency of redeterminations is determined by the probability that changes affecting eligibility will occur. CDRs and redeterminations are key activities in ensuring the integrity of the SSI program and maintaining and improving payment accuracy.

The FY 2019 President's Budget request includes \$1,308 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct about 446,000 SSI CDRs¹ and 2,822,000 redeterminations. For details on the estimated program savings resulting from the program integrity proposal, please refer to the Budget Process chapter in the Analytical Perspectives volume of the Budget.

Access to Financial Institutions

Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using geographic searches to generate requests to other financial institutions. AFI's purpose is to identify excess resources in financial accounts, which are a leading cause of SSI payment errors. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands

¹ The total estimated CDR volume is 703,000. We expect to complete about 257,000 Social Security Disability Insurance (DI)/Concurrent CDRs in addition to SSI CDRs.

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for essentially all SSI non-medical redeterminations and full applications where there is an allegation of financial resources above the current AFI resource tolerance level.

Along with preventing overpayments, AFI can help us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State Disability Determination Services (DDS). Additionally, as part of the Bipartisan Budget Act of 2015, AFI will help us to make informed decisions on overpayment waiver requests. The change in the law grants us the ability to verify financial information for all overpaid individuals who request waivers to determine whether they have the ability to repay their overpayment. We must obtain authorization from the overpaid individual to request the financial records. If an individual refuses to provide or revokes any authorization to obtain financial records, we may determine that they do not meet one of the requirements for granting a waiver. In FY 2019, we will evaluate AFI's effect on making waiver determinations and develop additional systems enhancements to improve the current process for initiating and applying AFI.

Pre-Effectuation Reviews

The Deficit Reduction Act of 2005 provided SSA with the authority to conduct pre-effectuation reviews (PER) for favorable initial SSI adult blindness or disability determinations. SSA started conducting these reviews in April 2006. They are conducted before the individual is awarded benefits and are done to ensure the accuracy of the determinations made by State Agencies.

The DI program already required PERs, but prior to this legislation only SSI adult disability claims involving concurrent SSI/DI claims were subject to review. SSI PERs support the performance measure to reduce improper payments, improve the accuracy and integrity of the SSI program, and make the SSI and DI programs more consistent.

Combating Fraud

SSA continues to engage in an aggressive program to deter, detect, investigate, and prosecute fraud. During FY 2017, SSA's Office of the Inspector General (OIG) received almost 92,700 fraud-related allegations via telephone, correspondence, fax, or email. Of those allegations, almost 20,400 were related to SSI fraud. As allegations are received, they are carefully reviewed to determine the most appropriate course of action, such as referral to OIG's Office of Investigations Field Divisions, other components of OIG, outside law enforcement agencies, or other program or policy components in SSA. In addition to matching the law enforcement data received pursuant to the matching program, Federal law authorizes OIG and SSA to release information back to law enforcement regarding beneficiaries and recipients who have unsatisfied felony arrest warrants or who are violating a condition of probation or parole imposed under Federal or State law. Individuals are identified by using an automated data matching process which compares warrant information at the State and Federal levels with the SSI rolls.

Debt Collection

SSA currently makes use of the following debt collection tools that are authorized by law: benefit withholding; cross-program recovery; repayment by installment agreements; Credit Bureau Reporting; Administrative Wage Garnishment; and the Treasury Offset Program (TOP), which includes Tax Refund Offset (TRO), Administrative Offset (e.g., Federal travel and expense reimbursements), and Federal Salary Offset. Using these debt collection tools, SSA

collected \$1.3 billion in SSI overpayments, including Federally-administered state supplement overpayments, in FY 2017. Also in FY 2017, SSA eliminated an additional \$146.6 million through Netting, a process that adjusts SSI overpayments through an automated offset against SSI underpayments.

SSA began collecting SSI overpayments by TRO in 1998 under the authority of The Deficit Reduction Act of 1984. The Foster Care Independence Act of 1999 extended to the SSI program all of the additional debt collection authorities previously available for collection of overpayments under the Social Security retirement and disability programs. In FY 2002, SSA expanded the use of TOP by implementing Administrative Offset. SSA further expanded the use of TOP in FY 2006 when the agency implemented Federal Salary Offset, a collection tool used to collect delinquent overpayments owed by Federal employees, including employees who work for SSA. We again expanded our usage of TOP in FY 2013 to collect delinquent debts via TOP through Treasury's State Reciprocal Program (SRP). The SRP allows states to enter into reciprocal agreements with Treasury to collect unpaid State debt by offset of Federal non-tax payments. In return, the agreements allow the Federal Government to collect delinquent non-tax debt by offset of State payments. In FY 2017, TOP enabled the agency to collect \$70.8 million in delinquent SSI overpayments.

In FY 2002, SSA implemented Credit Bureau Reporting and Cross Program Recovery. In FY 2017 Credit Bureau Reporting contributed to the voluntary repayment of almost \$24.7 million and the Agency recovered \$157.9 million via Cross Program Recovery.

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected \$3.6 million in SSI debt in FY 2017. In the future, as resources permit, SSA plans to implement the remaining authorized collection tools, which include interest charging, administrative cost recovery, and the use of private collection agencies.

Computer Matching Programs

SSA routinely matches SSI recipient data with data maintained by other Federal, state, and local government entities to detect changes in income, resources, or living arrangements that may affect SSI eligibility. In addition, the Foster Care Independence Act of 1999 provides for expansion of access to data from financial institutions.

SSA's computer matching operations include matches with:

- Prison inmate records to find recipients made ineligible by incarceration;
- Law enforcement agencies data on fugitive felons;
- Quarterly data on wage and unemployment compensation information;
- Monthly nursing home admission and discharge information;
- Internal Revenue Service records of non-wage income reported via 1099s to detect resources and/or income;
- Bureau of the Public Debt's Savings Bond records to detect unreported assets;

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- Department of Defense (DOD) records to detect and verify DOD pension information;
- Veterans Administration (VA) benefit data to be used in SSI benefit calculations;
- VA death information for DI and SSI payments;
- Office of Personnel Management pension data to be used in certain SSI benefit calculations;
- Railroad Retirement Board data to be used in certain SSI benefit calculations;
- Department of Homeland Security (DHS) data for deportation information on aliens outside the U.S. for more than 30 continuous days to terminate SSI benefits;
- DHS records of aliens who voluntarily leave the U.S; and
- AFI system to electronically request and receive financial account information.

Actions taken as a result of such matches include independent verification of assets or income. If this results in a change in payment amount or eligibility, notification is provided to the recipient of the findings along with appeal and waiver rights.

BUDGETARY RESOURCES

The SSI annual appropriation consists of a regular appropriation made available by the current year's appropriation bill and an advance made available by the prior year's appropriation. This advance is for Federal benefit payments in the first quarter of the subsequent fiscal year to ensure recipients continue to receive their benefits in case there is a delay in passing that year's appropriation bill. The President's Budget for FY 2019 is \$60,708,000,000, including \$19,500,000,000 requested in the FY 2018 appropriation.

Table 2.4—Amounts Available for Obligation^{1,2,3}**(in thousands)**

	FY 2017 Actual	FY 2018 Estimate⁴	FY 2019 Estimate
Regular Appropriation	\$ 43,618,163	\$ 38,554,000	\$ 41,208,000
Advanced Appropriation	\$ 14,500,000	\$ 15,000,000	\$ 19,500,000
Total Annual Appropriation	\$ 58,118,163	\$ 53,554,000	\$ 60,708,000
Federal Unobligated Balance	\$ 5,792,378	\$ 4,596,431	\$ 1,915,145
Recovery of Prior-Year Obligations	\$ 585,655	\$ 0	\$ 0
Subtotal Federal Resources	\$ 64,496,197	\$ 58,150,431	\$ 62,623,145
State Supp. Reimbursements	\$ 2,648,799	\$ 2,759,000	\$ 2,805,000
State Supp. Unobligated Balance ⁵	\$ 0	\$ 4,932	\$ 238,932
Total Budgetary Resources	\$ 67,144,996	\$ 60,914,362	\$ 65,667,077
Federal Obligations	\$ 59,899,760	\$ 56,235,285	\$ 61,238,730
State Supp. Obligations	\$ 2,643,868	\$ 2,525,000	\$ 2,785,000
Total Obligations	\$ 62,543,627	\$ 58,760,285	\$ 64,023,730
Federal Unobligated Balance (unexpired)	\$ 4,596,431	\$ 1,915,145	\$ 1,384,415
State Supp. Unobligated Balance ⁵	\$ 4,932	\$ 238,932	\$ 258,932
Total Unobligated Balance	\$ 4,601,362	\$ 2,154,077	\$ 1,643,346

¹ Does not include state supplementary user fees; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

³ There were 12 payments in FY 2017. There are 11 payments in FY 2018 and 12 payments in FY 2019.

⁴ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

⁵ The amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year, is available for use in the subsequent fiscal year.

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The SSI annual appropriation was \$58.1 billion in FY 2017. The estimated FY 2018 appropriation is \$53.6 billion. SSA has the authority to carry over unobligated balances for use in future fiscal years for Federal benefit payments, administrative expenses, and beneficiary services because the amounts appropriated are made available until expended. SSA carried over approximately \$4.6 billion in Federal unobligated balances into FY 2018. SSA expects to carry over approximately \$1.9 billion into FY 2019, and use about \$531 million in carryover funds.

In addition to these appropriated amounts, SSA has spending authority in the amount of the advance reimbursement SSA receives from states to pay their state supplementary benefits. Because states reimburse SSA in advance, SSA carries over the amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year, for use in the subsequent fiscal year.

ANALYSIS OF CHANGES

The FY 2019 request represents an increase of approximately \$7.2 billion from the FY 2018 level. The majority of this increase results from FY 2019 having 12 benefit payments, while FY 2018 has only 11 payments.

SSA plans to use unobligated balances to partially fund Federal benefits, beneficiary services, research and demonstration projects, and administrative expenses in FY 2018 and FY 2019. SSA plans to use approximately \$2,681 million in unobligated balances and recoveries in FY 2018 and approximately \$531 million in FY 2019.

Federal Benefit Payments

The increase in the FY 2019 request for Federal benefit payments is a result of one more benefit payment. There is also a slight increase in estimated payments due to the estimated FY 2019 cost of living adjustment (COLA). The increase in Federal benefit payments is partially offset by the impact of Old-Age, Survivors, and Disability Insurance (OASDI) COLAs on concurrent SSI/OASDI recipients. Since OASDI benefits are counted as income in the SSI program, the annual OASDI COLA decreases the SSI benefit payment for concurrent recipients.

Administrative Expenses

The FY 2019 request for administrative expenses is \$293 million less than the FY 2018 level. SSA expects to use \$71 million in carryover funds in FY 2018 and \$16 million in carryover funds in FY 2019 to cover estimated obligations.

Beneficiary Services

SSA is requesting \$126 million in new authority for FY 2019. Our estimate reflects a steady level of vocational rehabilitation reimbursement awards and Ticket payments to Employment Networks under the Ticket to Work program. SSA expects to use \$14 million in carryover funds in FY 2018 and \$53 million in carryover funds in FY 2019 to cover our estimated obligations.

Research and Demonstrations

The FY 2019 request for research and early intervention demonstration projects is equal to the FY 2018 level.¹ SSA expects to use \$23.3 million in carryover funds in FY 2018 and \$6.9 million in carryover funds in FY 2019, in addition to our requested appropriation, to cover our estimated obligations.

Table 2.5—Summary of Changes^{2,3}

	FY 2018 Estimate⁴	FY 2019 Estimate	<i>Change</i>
Appropriation	\$ 53,554,000,000	\$ 60,708,000,000	+ \$ 7,154,000,000
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	+ \$ 2,681,285,400	+ \$ 530,730,373	- \$ 2,150,555,027
Estimated Federal Obligations	\$ 56,235,285,400	\$ 61,238,730,373	+ \$ 5,003,444,973

¹ The FY 2018 President's Budget Research and Demonstration request was \$101 million.

² Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the LAE appropriation.

³ Totals may not add due to rounding.

⁴ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

Table 2.6—Explanation of SSI Budget Changes from FY 2018 to FY 2019
(in thousands)

	FY 2018 Obligations	<i>Change from FY 2018</i>
Federal Benefit Payments	\$ 48,236,000	
• COLA—2.4% beginning January 2019		+\$ 1,659,000
• Net increase due to annualized closings and awards		+\$ 45,000
• Net increase due to adjustment back to 12 payments in FY 2019, up from 11 in FY 2018		+\$ 4,055,000
• Effect of OASDI COLA for concurrent SSI/OASDI recipients		-\$ 397,000
Federal Benefit Payments – Carryover	\$ 2,573,000	
Administrative Expenses	\$ 5,058,000	
• Decrease in base funding		-\$ 293,000
Administrative Expenses – Carryover	\$ 71,000	
• Decrease in amount of carryover funding planned for obligation in FY 2019		-\$ 55,000
Beneficiary Services	\$ 159,000	
• Decrease in Base Funding		-\$ 33,000
Beneficiary Services – Carryover	\$ 14,000	
• Increase in amount of carryover funding planned for obligation in FY 2019		+\$ 38,807
Research and Demonstration	\$ 101,000	
Research and Demonstration -- Carryover	\$ 23,285	
• Decrease in amount of carryover funding planned for obligation in FY 2019		-\$ 16,362
Total Obligations Requested, Net Change	\$ 56,235,285	+\$ 5,003,445

NEW BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays budget authority and obligations for the five main SSI activities—Federal benefit payments, administrative expenses, program integrity, beneficiary services, and research projects.

Table 2.7—New Budget Authority and Obligations by Activity ^{1,2,3}
(in thousands)

	FY 2017 Actual	FY 2018 Estimate⁴	FY 2019 Estimate⁵
<u>Federal Benefit Payments</u>			
Appropriation	\$ 52,941,736	\$ 48,236,000	\$ 55,716,000
Obligations	\$ 54,729,472	\$ 50,809,000	\$ 56,171,000
Monthly Check Payments	12	11	12
<u>Base Administrative Expenses</u>			
Appropriation	\$ 3,706,485	\$ 3,681,000	\$ 3,457,000
Obligations	\$ 3,706,485	\$ 3,752,000	\$ 3,473,000
<u>Program Integrity (Base)</u>			
Appropriation	\$ 222,000	\$ 209,000	\$ 245,000
Obligations	\$ 222,000	\$ 209,000	\$ 245,000
<u>Program Integrity (Cap)</u>			
Appropriation	\$ 1,100,942	\$ 1,168,000	\$ 1,063,000
Obligations	\$ 1,100,942	\$ 1,168,000	\$ 1,063,000
<u>Beneficiary Services</u>			
Appropriation	\$ 89,000	\$ 159,000	\$ 126,000
Obligations	\$ 77,212	\$ 173,000	\$ 178,807
<u>Research and Demonstration</u>			
Appropriation	\$ 58,000	\$ 101,000	\$ 101,000
Obligations	\$ 63,649	\$ 124,285	\$ 107,923
Total Appropriation	\$ 58,118,163	\$ 53,554,000	\$ 60,708,000
Total Federal Obligations	\$ 59,899,760	\$ 56,235,285	\$ 61,238,730

¹ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses and Program Integrity assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses do not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

² Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the LAE appropriation.

³ Totals may not add due to rounding.

⁴ SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2018 obligations as follows: Federal benefits, \$2,573 million; beneficiary services, \$14 million; research and demonstration, \$23 million; and administrative expenses, \$71 million.

⁵ In addition to the FY 2019 President's Budget request, SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2019 obligations as follows: Federal benefits, \$455 million; beneficiary services, \$53 million; research and demonstration projects, \$7 million; and administrative expenses, \$16 million.

NEW BUDGET AUTHORITY AND OBLIGATIONS BY OBJECT

In the table below, “Other Services” includes administrative expenses, program integrity, and beneficiary services.

Table 2.8—New Budget Authority and Obligations by Object ^{1,2}
(in thousands)

	FY 2017 Actual	FY 2018 Estimate³	FY 2019 Estimate
<u>Other Services⁴</u>			
Appropriation	\$ 5,118,427	\$ 5,217,000	\$ 4,891,000
Obligations	\$ 5,106,639	\$ 5,302,000	\$ 4,959,807
<u>Federal Benefits and Research</u>			
Appropriation	\$ 52,999,736	\$ 48,337,000	\$ 55,817,000
Obligations	\$ 54,793,121	\$ 50,933,285	\$ 56,278,923
Total Appropriation	\$ 58,118,163	\$ 53,554,000	\$ 60,708,000
Total Obligations	\$ 59,899,760	\$ 56,235,285	\$ 61,238,730

¹ Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

³ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President’s Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 –Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President’s Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA’s Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President’s Budget levels.

⁴ The administrative portion of these services includes the SSI’s prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

BACKGROUND

AUTHORIZING LEGISLATION

The SSI program is authorized by Title XVI of the Social Security Act. Section 1601 of the Act authorizes such sums as are sufficient to carry out the Title.

Table 2.9—Authorizing Legislation

	FY 2017 Actual	FY 2018 Estimate¹	FY 2019 Estimate	FY Amount Authorized
Title XVI of the Social Security Act, Section 401 of P.L. 92-603 and Section 212 of P.L. 93-66, as amended, and Section 405 of P.L. 92-216 ²	\$ 58,118,163,000	\$ 53,554,000,000	\$ 60,708,000,000	<i>Indefinite</i>
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 15,000,000,000	\$ 19,500,000,000	\$ 19,700,000,000	---

¹ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 –Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

² Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the LAE appropriation.

APPROPRIATION HISTORY

The table below displays the President's Budget request, amounts passed by the House and Senate, and the actual amount appropriated, for the period FY 2009 to FY 2019. Indefinite budget authority is requested when actual Federal benefit payments exceed the amounts available for Federal benefit payments in a given fiscal year.

Table 2.10—Appropriation History¹

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 14,800,000,000	\$ 14,800,000,000	\$ 14,800,000,000	\$ 14,800,000,000
Current Year	\$ 30,414,000,000	-- ²	\$ 30,429,875,000 ³	\$ 30,471,537,000 ⁴
2009 Total	\$ 45,214,000,000	---	\$ 45,229,875,000	\$ 45,271,537,000
2009 Indefinite				\$ 1,602,935,179
Q1 Advance	\$ 15,400,000,000	---	\$ 15,400,000,000	\$ 15,400,000,000
Current Year	\$ 34,742,000,000	\$ 34,742,000,000 ⁵	\$ 34,742,000,000 ⁶	\$ 34,742,000,000 ⁷
2010 Total	\$ 50,142,000,000	---	\$ 50,142,000,000	\$ 50,142,000,000
2010 Indefinite				\$ 458,465,781
Q1 Advance	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000
Current Year	\$ 40,513,000,000	--- ⁸	\$ 40,513,000,000 ⁹	\$ 39,983,273,000 ¹⁰
2011 Total	\$ 56,513,000,000	---	\$ 56,513,000,000	\$ 55,983,273,000
Q1 Advance	\$ 13,400,000,000	---	\$ 13,400,000,000	\$ 13,400,000,000
Current Year	\$ 38,083,000,000	--- ¹²	\$ 37,922,543,000 ¹³	\$ 37,582,991,000 ¹⁴
2012 Total	\$ 51,483,000,000	---	\$ 51,322,543,000	\$ 50,982,991,000
2012 Indefinite	No Data	No Data	No Data	\$ 560,000,000
Q1 Advance	\$ 18,200,000,000	---	\$ 18,200,000,000	\$ 18,200,000,000
Current Year	\$ 40,043,000,000	No Data	--- ¹⁷ \$ 40,043,000,000 ¹⁸	
2013 Total	\$ 58,243,000,000		\$ 58,243,000,000	\$ 50,982,991,000
2013 Rescission				\$ 32,779,347,000
2013 Sequester ²¹				
Q1 Advance	\$ 19,300,000,000		\$ 19,300,000,000	\$ 19,300,000,000
Current Year	\$ 40,737,000,000		\$ 40,568,741,000 ²³	\$ 41,249,064,000 ²⁴
2014 Total	\$ 60,037,000,000		\$ 59,868,741,000	\$ 60,549,064,000
Q1 Advance	\$ 19,700,000,000		\$ 19,700,000,000	\$ 19,700,000,000
Current Year	\$ 40,927,000,000			\$ 41,232,978,000 ²⁶
2015 Total	\$ 60,627,000,000	No Data	No Data	\$ 60,932,978,000 ²⁷
Q1 Advance	\$ 19,200,000,000			\$ 19,200,000,000
Current Year	\$ 46,422,000,000	\$ 46,232,978,000 ²⁸	\$ 46,110,777,000 ²⁹	\$ 46,305,733,000 ³⁰
2016 Total	\$ 65,622,000,000	\$ 65,432,978,000	\$ 65,310,777,000	\$ 65,505,733,000 ³¹

Table Continues on the Next Page

Supplemental Security Income Program

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 14,500,000,000			\$ 14,500,000,000
Current Year	\$ 43,824,868,000	\$ 43,162,469,000 ³²	\$ 43,618,163,000 ³³	\$ 43,618,163,000 ³⁴
2017 Total	\$ 58,324,868,000	\$ 57,662,469,000	\$ 58,118,163,000	\$ 58,118,163,000³⁵
Q1 Advance	\$ 15,000,000,000			\$ 15,000,000,000
Current Year	\$ 38,557,000,000	\$ 38,591,635,000 ³⁶	\$ 38,450,927,000 ³⁷	
2018 Total	\$53,557,000,000	\$ 53,591,635,000	\$ 53,450,927,000	³⁸
Q1 Advance	\$19,500,000,000			
Current Year	\$41,208,000,000			
2019 Total	\$60,708,000,000			
Q1 Advance	\$19,700,000,000			
Current Year				
2020 Total				

Supplemental Security Income Program

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- ¹ Does not include state supplementary payments and reimbursements or the corresponding state user fee collections; user fees are included in the LAE appropriation.
- ² The House Committee on Appropriations did not report a bill.
- ³ S. 3230.
- ⁴ Omnibus Appropriations Act, 2009 (P.L. 111-8).
- ⁵ H.R. 3293.
- ⁶ H.R. 3293, reported from Committee with an amendment.
- ⁷ Consolidated Appropriations Act, 2010 (P.L. 111-117).
- ⁸ The House Committee on Appropriations did not report a bill.
- ⁹ S. 3686.
- ¹⁰ The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). Of this amount, \$3,493,273,000 was available for administrative expenses. The amount does not include a rescission of \$6,987,000 for SSI administrative expenses and \$72,000 for research and demonstration projects in accordance with P.L. 112-10.
- ¹¹ Of this amount, not to exceed \$10,000,000 was for Supplemental Security Income Program-related performance-based awards for Pay for Success projects and not more than \$10,000,000 was to provide incentive payments and to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families.
- ¹² The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$38,062,428,000 for fiscal year 2012. Of this amount, not more than \$17,428,000 was made available for research and demonstrations under sections 1110 and 1114 of the Social Security Act and remain available until the end of fiscal year 2013. Up to \$10,000,000 of the research funds were to provide incentives payments and to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families. In addition, H.R. 3070 included \$18,200,000,000 for benefit payments for the first quarter of fiscal year 2013.
- ¹³ S. 1599.
- ¹⁴ Consolidated Appropriations Act, 2012 (P.L. 112-74). Of this amount, not more than \$8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act. The amount does not include a rescission of \$6,377,000 for SSI administrative expenses and \$2,000 for research and demonstration projects in accordance with P.L. 112-74.
- ¹⁵ The President's Budget proposed to provide \$140 million in cap adjustment funding in FY 2012, consistent with section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Of the \$140 million, the SSI portion totaled \$46 million.
- ¹⁶ Of this amount, not more than \$48,000,000 was for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.
- ¹⁷ The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$39,335,614,000 for fiscal year 2013. Of this amount, not more than \$8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act and to remain available until the end of fiscal year 2014. In addition, the draft bill included \$19,300,000,000 for benefit payments for the first quarter of fiscal year 2014.
- ¹⁸ S. 3295.
- ¹⁹ Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).
- ²⁰ The President's Budget proposed to provide \$266 million in mandatory administrative funding in FY 2013. Of the \$266 million, the SSI portion totals \$106 million.

²¹ SSI was exempt from sequestration in FY 2013.

²² Of this amount, not more than \$54,000,000 is for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

²³ S. 1284.

²⁴ Consolidated Appropriations Act, 2014 (P.L. 113-76).

²⁵ The President's Budget proposed to provide \$1.2 billion in mandatory administrative funding in FY 2014. Of the \$1.2 billion, the SSI portion totals \$587 million.

²⁶ Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

²⁷ Of this amount, not more than \$48,000,000 is for research and demonstrations and not more than \$35,000,000 is for early intervention demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

²⁸ H.R. 3020.

²⁹ S. 1695

³⁰ Consolidated Appropriations Act, 2016 (P.L. 114-113).

³¹ Of this amount, not more than \$101,000,000 is for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act.

³² H.R. 5926.

³³ S. 3040.

³⁴ Consolidated Appropriations Act, 2017 (P.L. 115-31).

³⁵ Of this amount, not more than \$58,000,000 is for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act.

³⁶ H.R. 3358.

³⁷ S. 1771.

³⁸ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 –Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

FEDERAL BENEFIT PAYMENTS

Authorizing Legislation: Section 1602, 1611, and 1617 of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

The SSI program was established to pay needy aged, blind and disabled individuals a minimum level of income through Federally-administered monthly cash payments. In many cases, these payments supplement income from other sources, including Social Security benefits and state programs. In FY 2019, SSA estimates benefit payments will total approximately \$56.2 billion for over 8 million Federal SSI recipients.

Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations¹
(in thousands)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate	FY 18 to FY 19 Change
Appropriation	\$ 52,941,736	\$ 48,236,000	\$ 55,716,000	+ \$ 7,480,000
Obligations Funded from Prior-Year Unobligated Balance and Recoveries	\$ 1,787,736	\$ 2,573,000	\$ 455,000	-\$ 2,118,000
Obligations	\$ 54,729,472	\$ 50,809,000	\$ 56,171,000	+ \$ 5,362,000
Advance for subsequent fiscal year	\$ 15,000,000	\$ 19,500,000	\$ 19,700,000	+ \$ 200,000

RATIONALE FOR BUDGET REQUEST

SSA is requesting \$55.7 billion in new budget authority for Federal benefit payments in FY 2019.

SSA estimates benefit payments based on a number of interrelated factors including the number of SSI recipients, number of applications, award and termination rates, cost-of-living adjustments, maximum benefit rates, average payment amounts and number of payments per fiscal year.

¹ Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has decreased from 8.2 million in FY 2014 to 8.1 million in FY 2017 and is expected to decrease to 8.0 million in FY 2019. The estimated decrease in Federal recipients in FY 2019 represents a 0.3 percent decrease over the FY 2018 level. SSA estimates the number of SSI recipients by analyzing a number of factors including applications, award and termination rates, and funding for program integrity initiatives.

Table 2.12—SSI Recipients, Actual ¹
(average over fiscal year, in thousands)

	FY 2014	FY 2015	FY 2016	FY 2017
Aged	1,094	1,100	1,108	1,114
Blind or Disabled	7,076	7,073	7,048	6,986
Total Federal	8,171	8,173	8,157	8,100
<i>Year-to-Year Change</i>	<i>1.0%</i>	<i>0.0%</i>	<i>- 0.2%</i>	<i>- 0.7%</i>
State Supplement Only	217	171	166	162
Total Federally Administered	8,388	8,344	8,323	8,262

In addition to Federal SSI recipients, SSA currently administers state supplementary payments for 20 states and the District of Columbia. SSA administers payments for approximately 1.5 million state supplement recipients, of which approximately 162,000 do not receive a Federal SSI benefit and only receive the state supplementary payment.

Table 2.13—SSI Recipients, Projected¹
(average over fiscal year, in thousands)

	FY 2018 Estimate	FY 2019 Estimate	<i>FY 18 FY 19 Change</i>
Aged	1,121	1,126	+ 0.4%
Blind or Disabled	6,922	6,893	- 0.4%
Total Federal	8,042	8,019	- 0.3%
State Supplement only	162	165	+ 1.9%
Total Federally Administered	8,205	8,183	- 0.3%

¹ Totals may not add due to rounding.

SSI Disabled vs. Aged Recipient Population

The number of Federal blind or disabled SSI recipients as a percentage of all Federal SSI recipients increased from 81 percent in FY 2000 to 86.6 percent in FY 2014 and has slightly declined since then. Because the average monthly benefit payment for blind or disabled recipients is higher than that of aged recipients, this shift in the population make-up has increased overall Federal SSI benefit payments.

Table 2.14—Blind or Disabled Recipients as a Percentage of Total ¹
(average over fiscal year, in thousands)

Fiscal Year	Total Federal	Aged	Blind or Disabled	Blind or Disabled as % of Total
2000	6,328	1,203	5,125	81.0%
2010	7,522	1,105	6,417	85.3%
2011	7,756	1,105	6,652	85.8%
2012	7,940	1,094	6,846	86.2%
2013	8,089	1,089	7,000	86.5%
2014	8,171	1,094	7,076	86.6%
2015	8,173	1,100	7,073	86.5%
2016	8,157	1,108	7,048	86.4%
2017	8,100	1,114	6,986	86.2%
2018 Estimate	8,042	1,121	6,922	86.1%
2019 Estimate	8,019	1,126	6,893	86.0%

Concurrent SSI/OASDI Recipients

SSI recipients also receiving Old-Age and Survivors Insurance (OASI) or DI benefits have their SSI benefit reduced, less applicable exclusions, by the amount of their OASDI benefit. Approximately 33 percent of all SSI recipients (including those only receiving a state supplement) also receive Social Security benefits. Approximately 56 percent of the SSI aged and 30 percent of the SSI blind and disabled populations receive concurrent payments.

¹ Totals may not add due to rounding.

BENEFIT PAYMENTS

Maximum Monthly Federal Payments

The maximum monthly Federal benefit rate (FBR) is increased each January when there are increases in the cost-of-living. There is a 2.0 percent cost of living increase in 2018. An increase of 2.4 percent is projected for January 2019. The FBR increased from \$735 for an individual and \$1,103 for a couple for calendar year (CY) 2017 to \$750 for an individual and \$1,125 for a couple in CY 2018. SSA estimates the FBR will increase to \$768 for an individual and \$1,152 for a couple in CY 2019. The COLA will be effective in January 2019, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

	FY 2018		FY 2019	
	First 3 Months	Last 9 Months	First 3 Months	Last 9 Months
Individual	\$ 735	\$ 750	\$ 750	\$ 768
Couple	\$ 1,103	\$ 1,125	\$ 1,125	\$ 1,152

Average Monthly Benefit Payments

The amount actually paid to a recipient can vary from the FBR based on their income received (e.g., earnings and Social Security benefits) and the living arrangement of the recipient (e.g., residence in one's own home, the household of another person, or in a nursing home which meets Medicaid standards). The average monthly benefit is expected to increase from \$555 in FY 2017 to \$562 in FY 2018 and \$577 in FY 2019. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Aged	\$ 396	\$ 405	\$ 418
Blind or Disabled	\$ 581	\$ 587	\$ 603
All SSI Recipients	\$ 555	\$ 562	\$ 577

Supplemental Security Income Program

Cost of Living Adjustments

When applicable, COLAs increase both the maximum and average monthly benefit payment. However, for concurrent SSI/OASDI recipients, increases in SSI benefit payments are partially offset by increases in Social Security benefits resulting from the same COLA. Social Security benefits are counted as income in the SSI program. Therefore, any increase in Social Security benefits resulting from the annual COLA increases countable income in the SSI benefit computation.

Program Integrity Funding

Annual benefit payment estimates are dependent on SSA performing a certain level of SSI CDRs and redeterminations. Specifically, the FY 2019 estimate assumes SSA will conduct almost 446,000 SSI CDRs and 2,822,000 non-medical redeterminations.

Timing of Monthly Benefit Payments

Monthly SSI benefit payments are made on the first of the month, unless the first falls on a weekend or Federal holiday. In that case, the payment is made on the prior business day at the end of the previous month. When October 1 falls on a weekend or Federal holiday, the payment is made in the prior fiscal year at the end of September. This timing of payments results in 11, 12, or 13 payments in a given fiscal year.

Table 2.17—Check Payments by Fiscal Year

	Number of Check Payments	Federal Benefit Obligations
FY 2010	12	\$ 47,322,385,581
FY 2011	13	\$ 52,274,301,053
FY 2012	11	\$ 47,003,477,518
FY 2013	12	\$ 52,782,740,412
FY 2014	12	\$ 53,849,499,196
FY 2015	12	\$ 54,706,388,183
FY 2016	13	\$ 59,044,228,391
FY 2017	12	\$ 54,729,471,841
FY 2018	11	\$ 50,809,000,000
FY 2019	12	\$ 56,171,000,000

ADMINISTRATIVE EXPENSES

Authorizing Legislation: Sections 201(g)(1) of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

Administrative expenses for the SSI program are funded from general revenues. Section 201(g)(1) of the Social Security Act provides that administrative expenses for the SSI program, including Federal administration of state supplementary payments, may be financed from the Social Security trust funds with reimbursement, including any interest lost, to the trust funds from general revenues.

This appropriation funds the SSI program share of administrative expenses incurred through the Limitation on Administrative Expenses (LAE) account. Amounts appropriated are available for current-year SSI administrative expenses, as well as for prior-year administrative expenses that exceeded the amount available through this account for the prior year. If those excess prior year amounts were paid out of the Social Security trust funds, then current year SSI funds must be used to reimburse these trust funds with interest.

The legislative history of the 1972 amendments (which established this funding mechanism) indicates a desire to obtain economy of administration by giving SSA the responsibility for the SSI program because of its existing field office network and its administrative and automated data processing facilities. Because of the integration of the administration of the SSI and Social Security programs, it was desirable to fund them from a single source (the LAE account). This requires that the trust funds and the SSI account pay their appropriate shares. The determination is based on a Government Accountability Office (GAO) approved method of cost analysis of the respective expenses of the SSI and Social Security insurance programs, and mandates a final settlement by the end of the subsequent fiscal year as required by law.

**Table 2.18—Administrative Expenses: New Budget Authority and Obligations
(in thousands)**

	FY 2017 Actual	FY 2018 Estimate¹	FY 2019 Estimate	FY 18 to FY 19 Change
Total Appropriation	\$ 5,029,427	\$ 5,058,000	\$ 4,765,000	- \$ 293,000
Obligations Funded from Prior- Year Unobligated Balance	+ \$ 0	+ \$ 71,000	+ \$ 16,000	- \$ 55,000
Obligations	\$ 5,029,427	\$ 5,129,000	\$ 4,781,000	- \$ 348,000

¹ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount.

RATIONALE FOR BUDGET REQUEST

The FY 2019 request for SSI administrative expenses is \$4,765,000,000. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes additional funding of \$1,308 million specifically for FY 2019 SSI program integrity activities.

These amounts exclude funding made available in the LAE account from state user fees for SSA expenses for administering SSI state supplementary payments. The LAE account assumes funding of up to \$134,000,000 in FY 2019.

BENEFICIARY SERVICES

Authorizing Legislation: Sections 1148 and 1615(d) of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

Beneficiary services consist of the Vocational Rehabilitation (VR) and Ticket to Work (TTW) programs. The objective of the programs is to help disabled individuals return to work. The trust funds and general revenues fund beneficiary services. OMB directly apportions the trust funds portions of beneficiary services and it is not part of this appropriation request. The general revenues fund beneficiary services for disabled Supplemental Security Income (SSI) recipients as described below.

**Table 2.19—Beneficiary Services: New Budget Authority and Obligations
(in thousands)**

	FY 2017 Actual	FY 2018 Estimate¹	FY 2019 Estimate	FY 18 to FY 19 Change
Appropriation	\$ 89,000	\$ 159,000	\$ 126,000	- \$ 33,000
Prior-Year Unobligated Balances and Recoveries	\$ 55,019	\$ 66,807	\$ 52,807	- \$ 14,000
Total Budgetary Resources	\$ 144,019	\$ 225,807	\$ 178,807	- \$ 47,000
Obligations	\$ 77,212	\$ 173,000	\$ 178,807	+ \$ 5,807

Under the VR program, SSA repays State VR agencies for the reasonable and necessary costs of services that successfully help disabled beneficiaries and recipients return to work. VR agencies are successful when a disabled recipient performs substantial gainful activity (SGA) for a continuous period of nine out of twelve months.² VR agencies can serve as ENs in the TTW program or under SSA's VR reimbursement program.

Under the TTW program, authorized by the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170), SSA pays Employment Networks (ENs) for providing vocational rehabilitation, employment, and other support services to disabled SSI recipients. Recipients select an EN, which SSA pays when EN services result in prescribed work milestones and outcomes that may reduce reliance on Federal cash benefits.

¹ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the FY 2018 President's Budget level.

² In 2018, we consider non-blind and blind disabled recipients to be performing SGA if they earn more than \$1,180 and \$1,970 per month, respectively.

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Ticket payments, unlike VR reimbursement awards, are not based on the costs of specific services provided by the EN. SSA pays ENs using either an outcome-milestone payment method or an outcome-only method.

SSA bases Ticket payment amounts for SSI recipients on the prior year's average disability benefit payable under Title XVI. While SSA previously made Ticket payments only upon request, the agency also now initiates payments to ENs when information in its records indicate the recipient has achieved the prerequisite earnings and all other requirements qualifying the EN for a payment are met.

RATIONALE FOR BUDGET REQUEST

SSA is requesting \$126 million in new budget authority for beneficiary services in FY 2019. The FY 2019 request is a 3 percent increase in obligations, resulting from a 3 percent increase in both VR awards and Ticket payments, above FY 2018 levels. The increase in obligations, awards, and payments is due to multiple factors. The primary driver of these increases is automation that creates operational efficiencies. Other factors include the number of individuals that seek services or use a Ticket and the availability of jobs.

In recent years, SSA has undergone major process and systems enhancements to improve efficiencies for beneficiary services. These enhancements ensure that ENs and VRs are timely reimbursed for services, resulting in more ENs and VRs assisting Social Security beneficiaries and recipients in their efforts to return to work. In July 2015, SSA automated the EN business processes and implemented ePay, a payment process that helps ENs receive payments in a more timely fashion. With ePay, SSA can initiate Ticket payments to ENs when all payment criteria are met, including an indication of the earnings threshold for payment. Previously, ENs found it difficult to receive Ticket payments from SSA because ENs heavily relied on SSI recipients to self-report earnings information. As a result of this automation, more ENs are receiving payments for services provided. In March 2017, SSA implemented the Internet Ticket Operations Provider Support System (iTOPSS) that improves automation for the VR program. iTOPSS allows VRs to submit claims for reimbursement payments and manage case information through an online portal while SSA can verify and authorize VR awards through a series of systems checks. This automation resulted in more payment requests from VRs. Considering all the factors above and assuming that more beneficiaries will return to work, we estimate that FY 2019 will result in more outcome and milestone payments, as well as VR reimbursements.

SSA continues its efforts to improve management and oversight of the VR and Ticket programs to ensure effectiveness and to make certain the money spent is a good investment. These efforts are solidified in the current EN agreements and include ongoing quality reviews of State reimbursement claims and internal audits of the agency's payment process. ENs and VRs help those who need services to be successful. With the help of ENs and VRs, individuals may attain higher levels of sustained employment success.

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments¹

	FY 2017 Actual	FY 2018 Estimate ²	FY 2019 Estimate
<u>Vocational Rehabilitation</u>			
SSI Only Reimbursement Awards	3,406	7,400	7,600
SSI/DI Concurrent Reimbursement Awards	2,446	5,300	5,500
Total Reimbursement Awards	5,852	12,700	13,100
VR Obligations (in thousands)	\$ 60,860	\$ 151,000	\$ 155,807
<u>Ticket to Work</u>			
SSI Only Milestone Payments	6,165	8,500	8,800
SSI Only Outcome Payments	12,684	17,500	18,000
SSI/DI Concurrent Milestone Payments	8,514	11,700	12,000
SSI/DI Concurrent Outcome Payments	6,463	8,900	9,200
Total Ticket Payments	33,826	46,600	48,000
Ticket Obligations (in thousands)	\$ 16,351	\$ 22,000	\$ 23,000
Total VR Awards & Ticket Payments	39,678	59,300	61,100
Total Obligations (in thousands)	\$ 77,212	\$ 173,000	\$ 178,807

ADDITIONAL INFORMATION ON VR COST REIMBURSEMENT AND TTW PROGRAMS

The State VR agency may decide on a case-by-case basis whether to receive compensation under the long standing VR cost reimbursement payment option or one of the two TTW payment methods described below. Regardless of the payment method the State VR agency chooses, the beneficiary must have agreed to use the Ticket with the State VR agency for the agency to be eligible for either type payment.

Outcome-Milestone Payment Method:

- There are two phases of outcome-milestone payments. Phase I allows four payments and Phase II allows 18 payments.
- SSA begins paying the EN when the recipient successfully achieves certain predetermined work-related milestones while still receiving Federal benefits.

¹ Totals may not add due to rounding.

² A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the FY 2018 President's Budget level.

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- SSA stops paying milestone payments and begins outcome payments when the recipient's monthly Federal cash benefits are not payable because of work and earnings.

Outcome-Payment Method:

- Outcome payments are payable for a maximum of 60 months (consecutive or otherwise).
- SSA will begin issuing monthly outcome payments after the individual's monthly Federal cash benefit payments cease and the individual earns above the SGA level in a month.
- The dollar amounts of the monthly outcome payments are larger when the EN elects not to receive milestone payments while the recipient still receives benefits.

When a State VR agency provides services to a beneficiary under the cost reimbursement payment option, who later seeks support services from an EN, we may pay the State VR agency and the EN for sequential periods of service. However, the EN is not eligible for Phase 1 Ticket payments, since the State VR agency would have provided initial services.

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH

Authorizing Legislation: Sections 1110, 1115, and 1144 of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

SSA conducts extramural research, demonstrations, and outreach under sections 1110, 1115, 1144, and 234 of the Social Security Act. Projects funded under section 234 are essential to SSA's demonstration portfolio, but as they are part of the mandatory budget, we are not including them in our appropriations request.

**Table 2.21 - Research, Outreach, and Demonstration Projects:
Budget Authority and Obligations
(in thousands)**

	FY 2017 Actual	FY 2018 Estimate¹	FY 2019 Estimate	FY 18 to FY 19 Change
Appropriation	\$ 58,000	\$ 101,000	\$ 101,000	+\$ 0
Obligations Funded from Prior-Year Unobligated Balance and Recoveries ²	\$ 35,865	\$ 30,210	\$ 6,924	- \$ 23,285
Total Budgetary Resources	\$ 93,865	\$ 131,210	\$ 107,924	- \$ 23,285
Total Obligations	\$ 63,649	\$ 124,285	\$ 107,923	- \$ 16,362
Total Unobligated Balance ² above	\$ 30,216	\$ 6,924	\$ 1	- \$ 6,923

Section 1110 of the Social Security Act provides authority for conducting broad-based, cross-programmatic projects for the Old-Age, Survivor's, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs. This includes both waiver authorities for the SSI program, as well as projects dealing with specific SSI issues. Under section 1110, we fund a range of extramural projects: disability and retirement policy research, demonstration projects to test creative and effective ways to promote greater labor force participation of people with disabilities (including early intervention rehabilitation strategies), evaluations of proposed or newly enacted legislative changes, and projects to maintain and improve basic data about our programs and beneficiaries.

Section 1115 provides the Secretary of Health and Human Services (HHS) with the funding and authority to waive compliance with Medicaid requirements for the purpose of allowing States to participate in SSA's research and disability demonstration projects. There are currently no research projects funded under this section.

¹ A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for research and demonstration reflect the FY 2018 President's Budget levels.

² There was \$6 thousand from the FY 2017 unobligated balance that expired at the end of FY 2017, which resulted in the \$6 thousand decrease in unobligated balance carry forward into FY 2018.

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Section 1144 requires SSA to conduct outreach to those individuals with Medicare who are potentially eligible for State-administered Medicaid programs or Medicare prescription drug subsidies under Medicare Part D. We identify these potential beneficiaries, inform them about these programs, and notify state Medicaid agencies. The Centers for Medicare & Medicaid Services, within HHS, oversees both the Medicare and Medicaid programs.

Section 234 gives the Commissioner of Social Security the authority to conduct research and demonstration projects testing alternative Disability Insurance (DI) benefit rules. SSA uses trust fund monies to conduct various demonstration projects, including alternative program rules for treating work activity of individuals entitled to DI benefits. Section 234 covers both applicants and current beneficiaries to the program. SSA currently has authority to commence new projects under section 234 due to the Bipartisan Budget Act of 2015, but our current authority is limited to voluntary participation of applicants and beneficiaries that requires informed written consent and a limited timeline that requires us to complete all projects by December 31, 2022.

RATIONALE FOR BUDGET REQUEST

We are requesting \$101 million in new budget authority in FY 2019 for research and early intervention demonstration projects designed to explore potential improvements to our programs. A priority of this Administration is to increase the labor force participation of people with disabilities with evidence-based policy solutions. This challenge cannot be solved by SSA in isolation but rather requires the collaboration of multiple agencies across a variety of sectors. The first of many projects on this topic proposed by the Administration is a partnership between the Department of Labor (DOL) and SSA to conduct an early intervention demonstration designed to assist individuals with musculoskeletal and other disorders to remain in the workforce.

Additionally, this funding level will allow continued support for key Congressional and SSA priorities such as the development of the Occupational Information System (OIS), our evaluation of the Promoting Readiness of Minors in SSI (PROMISE) grants, and the National Academies of Sciences, Engineering, and Medicine independent consensus committee reports used to strengthen the disability programs for adults and children. The request also provides funding for our interagency agreement (IAA) with the National Institutes of Health (NIH) to help develop data driven methods and techniques to provide support to disability adjudicators and help inform SSA disability process innovation and policymaking.

In FY 2019, we plan to continue our efforts to ensure that policymakers and the public have access to objective, scientific, and methodologically-sound data and analysis as the dialogue on how to strengthen Social Security continues. In support of this effort, we intend to consolidate the current Retirement Research Consortium (RRC) and Disability Research Consortium (DRC) into a single program with a scope equivalent to the two currently existing programs. This single program will address issues related to SSI and Retirement, Survivors, and Disability Insurance (RSDI). By funding the combined Retirement and Disability Research Consortium (RDRC), we will continue to maintain our capability to produce policy-relevant research on retirement, address a shortage of disability policy research, and foster collaborative research with other Federal agencies. We are also proposing a new demonstration that would test time-limited benefits for certain DI and SSI beneficiaries and to continue to fund early intervention

demonstration projects to test strategies designed to help individuals with physical or mental impairments remain in the workforce.

The table and discussion that follow provide more details on the research and outreach efforts we plan to fund in FY 2019.

Table 2.22—Major Research Areas, Outreach, and Demonstration Obligations and New Budget Authority (in thousands,)^{1,2}

	Obligations ³		
	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Serve the Public through a Stronger and more Responsive Disability Program	\$ 45,079	\$ 96,626	\$ 83,825
Advisory Services to Assist. SSA with Disability Issues	\$ 1,526	\$ 5,286	\$ 4,278
Disability Analysis File (DAF)	\$ 804	\$ 823	\$ 843
Analyzing Relationships between Disability, Rehabilitation, and Work (ARDRAW)	\$ 300	\$ 300	\$ 300
National Beneficiary Survey (NBS)	\$ 805	\$ 1,036	\$ 4,232
New and Emerging Research – Disability	\$ 41	\$ 4,510	\$ 38
NIH IAA for Data Analytics/FAB Development	\$ 2,493	\$ 2,400	\$ 5,000
Occupational Information Systems (OIS)	\$ 24,148	\$ 28,810	\$ 30,977
Occupational Information System Vocational	\$ 2,163	\$ 1,856	\$ 1,465
Promoting Readiness of Minors in SSI (PROMISE)	\$ 4,080	\$ 1,605	\$ 2,692
Supported Employment Demonstration (SED)	\$ 8,719	\$ 0	\$ 9,000
Retaining Employment and Talent After Injury/Illness Network (RETAIN)	\$ 0	\$ 50,000	\$ 0
Early Intervention Demonstration	\$ 0	\$ 0	\$ 25,000
Deliver Innovative Quality Services	\$ 4,836	\$ 8,721	\$ 8,776
Understanding Americans Study (UAS) Enhancements	\$ 2,000	\$ 3,000	\$ 3,002
Data Development in an Enterprise Business Platform	\$ 1,200	\$ 2,000	\$ 2,000
New and Emerging Research – Retirement	\$ 325	\$ 327	\$ 330
Research and Innovation Lab	\$ 0	\$ 2,000	\$ 2,050
Medicare Outreach	\$ 1,311	\$ 1,394	\$ 1,394
Strengthen the Integrity of Our Programs	\$ 13,733	\$ 18,938	\$ 15,322
Census Surveys	\$ 0	\$ 3,000	\$ 1,000
Data Development	\$ 635	\$ 538	\$ 217
Health & Retirement Study (HRS)	\$ 2,655	\$ 2,655	\$ 2,655
Health & Retirement Study Supplement	\$ 1,500	\$ 1,500	\$ 1,500
Retirement Income Modeling	\$ 752	\$ 250	\$ 950
Retirement and Disability Research Consortium (RDRC)	\$ 7,917	\$ 10,695	\$ 8,700
Social Security Programs Throughout the World	\$ 275	\$ 300	\$ 300
Total Research Obligations	\$ 63,649	\$ 124,285	\$ 107,923
New Budget Authority	\$ 58,000	\$ 101,000	\$ 101,000

¹ Does not include funding authorized under section 234.

² Totals may not add due to rounding.

³ This amount includes obligations funded from prior-year unobligated balances.

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New 1110 Demonstration Projects:

Promoting Employment through Early Interventions Demonstration

In FY 2019 we propose an early intervention demonstration to promote employment and economic security by improving the intersections between Supplemental Security Income (SSI) and other means-tested public assistance programs such as Temporary Assistance to Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP). Substantial numbers of low-income persons with impairments or serious health conditions have limited work histories and are not working at sufficient levels to achieve economic security or self-sufficiency. Absent effective interventions to help them achieve success in employment, many of these persons will rely on means-tested public assistance programs and, if their conditions worsen, may seek disability benefits.

Despite the overlap in target populations of SSI and other means-tested public assistance programs, these programs often have differing definitions of disability and include different work requirements, incentives and supports. Further, administrative structures often are poorly coordinated and could be improved by emerging research in behavioral economics and related fields. Better aligning and coordinating these programs and developing interventions for low-income persons not working due to a disability or serious health condition have potential to improve administrative efficiency and targeting and delivery of assistance, to increase levels of engagement with services and employment and economic security outcomes, and to reduce future SSI applications and caseloads.

A new demonstration of employment-focused services that intervene early in an individual's transition into the workforce would build upon recent lessons and findings from innovative local programs. This approach is supported by findings of relevant demonstrations and research, including research on: early assessment of disability or work-limiting health conditions; efficient program referrals; improved case management; supported employment; and executive-functioning, goal setting and coaching interventions.

In FY 2018, we will work with the Administration for Children and Families (ACF) in HHS, through an Interagency Agreement (IAA), Jointly Financed Cooperative Agreement (JFCA), or other mechanism or contract, to develop a demonstration that focuses on potential SSI applicants using employment and training strategies in state and local social services and workforce development agencies and organizations. One promising option is to incorporate sites that develop and test disability-focused employment interventions into an ACF demonstration currently underway, such as the Evidence Building in TANF: Advancing Innovations to Promote Employment and Economic Security for Low-Income Individuals project.

Retaining Employment and Talent After Injury/Illness Network (RETAIN) Demonstration (previously Musculoskeletal Demonstration)

RETAIN is a joint demonstration with DOL that will test early interventions to help workers stay at work or return to work after experiencing a work-threatening injury, illness, or disability.

The ultimate policy goal is to reduce long-term disability – including the need for Federal disability programs – and increase labor force participation among those individuals. Partnering with DOL’s Office of Disability Employment Policy, which is broadly tasked with providing services and supports to workers with disabilities, will allow for identifying and serving such workers before they apply for SSA’s disability benefits.

RETAIN will likely target workers with any type of medical condition beginning to impact their work capacity; however, we expect that workers with musculoskeletal conditions will make up a sizeable portion of the population served, as these conditions are the most frequent occupational injury or illness causing days away from work.¹

RETAIN is modeled on several early intervention programs run by the Washington State workers’ compensation system, including the Centers of Occupational Health and Education (COHE), the Early Return to Work program, and the Stay at Work program. These programs provide early intervention and return-to-work services for individuals with work-related health conditions. Preliminary results from COHE suggest a significant (26 percent) reduction in long-term transitions to DI.² This demonstration will draw from and test key features of these Washington programs, in other States and/or for a population beyond workers’ compensation (i.e., for non-occupational injuries and illnesses), and with an increased emphasis on employment-related supports.

Developing and conducting a rigorous evaluation of the interventions is a key component of RETAIN. In this joint demonstration, DOL will award grants to States to operate RETAIN projects, and SSA will provide an independent, comprehensive national evaluation of all of the State projects.

In FY 2017, the focus was on project planning, including gathering information about the Washington State programs, exploring potential project designs, and gathering public input. Subject to availability of funding, SSA will execute an IAA in FY 2018 transferring funds to DOL for the implementation grants, and SSA will award a competitive contract for the national evaluation. DOL will award competitive state grants for the project implementation.

In FY 2019, the evaluation contractor will work with the state grantees to finalize their project designs, prepare for implementation, and ensure evaluability of the resulting projects. At the end of the initial planning stage of the grants, the projects will be assessed, and three grants will continue to the full implementation stage. Those grants will continue through FY 2022, and the final evaluation impact report will be due in FY 2023.

¹ Bureau of Labor Statistics (BLS) data indicate that musculoskeletal disorders account for 31% of nonfatal occupational injury and illness cases requiring days away from work. In Washington State, at least 54% of allowed workers’ compensation claims are musculoskeletal. [BLS (2016), “Nonfatal Occupational Injuries And Illnesses Requiring Days Away From Work, 2015,” <http://www.bls.gov/news.release/pdf/osh2.pdf>; and Washington State Department of Labor and Industries (2016), “Allowed State Fund Claims Only: Claim Counts And Costs By OIICS Injury Nature,” <http://www.lni.wa.gov/ClaimsIns/Insurance/DataStatistics/WorkersCompData/default.asp>.]

² Franklin et al. (2014), “Workers’ Compensation: Poor Quality Health Care and the Growing Disability Problem in the United States,” *Am. J. Ind. Med.*, 58(3), <http://onlinelibrary.wiley.com/doi/10.1002/ajim.22399/full>.

Time Limited Benefits Demonstration

The receipt of disability benefits results in a permanent exit from the labor force for most individuals. While SSA periodically conducts disability reviews to assess medical improvement, only about 1.6 percent of continuing disability reviews (CDRs) results in a disabled worker leaving the disability rolls due to medical improvement after appeals. The experiences of other countries suggest that SSA's low attrition rates for medical improvement could be a function of program design. This proposal challenges presumptions that an individual's disability is likely permanent by evaluating alternative program designs to help individuals with temporary work-disabilities return to work.

Several researchers and policymakers have introduced variations of time-limited benefits for SSA's disability programs. A demonstration testing time-limited benefits acknowledges that disability benefits are an essential part of the safety net for workers with long-term and permanent disabilities that prevent work, but assesses the expectation that beneficiaries will remain too disabled to return to work. Building off previous reform ideas, this proposal tests whether time-limited benefits will increase labor force participation among disability beneficiaries.

Under current policy, once an individual is awarded benefits, he or she is assigned a medical diary that determines when SSA will medically review their eligibility for benefits. During this review, SSA uses the Medical Improvement Review Standard (MIRS) that, with some exceptions, will only allow an individual to be removed from DI if they have medically improved from the last time they received a medical determination.

This proposal would test whether providing time-limited benefits—either by requiring a new application or conducting a CDR without the MIRS requirement—to claimants increases labor force participation and if so, to what extent it reduces participation in disability benefits after the initial period. This demonstration would also address whether messaging that benefits are temporary and eliminating the MIRS standard would increase return to work and reduce DI participation.

We propose an evaluation contract to include an analysis of both SSA program data and surveys of labor force activity and other information not available in SSA program data. This demonstration would require statutory changes to sections 234 and/or 1110 to mandate participation to better simulate the policy environment being tested and to extend the section 234 authority to provide sufficient time to complete the evaluation. If this demonstration is funded through section 234 and section/or 1110, it would change both Title II and Title XVI policies; it is not included in our overall \$101 million funding request.

We would implement this demonstration over a minimum of six years: one year to finalize design issues, train examiners in the new policy, and conduct other activities; a minimum of four years for study assignment and a follow-up period; and a final year for evaluation activities. An additional year would be needed to compete any contracts necessary for evaluation. SSA would evaluate impacts on outcomes such as employment, earnings, and receipt and duration of DI and SSI benefit receipt.

OTHER RESEARCH AUTHORITY REQUEST

In addition to the section 1110 authority, the FY 2019 Budget proposes to evaluate creative and effective ways to promote greater labor force participation of people with disabilities by expanding our section 234 demonstration authority to allow SSA, in collaboration with other agencies, to test new program rules and activities that require mandatory participation by program applicants and beneficiaries for longer periods of time than currently authorized. An expert panel will identify specific changes to program rules that would increase labor force participation and reduce program participation, reaching a 5 percent reduction in DI and SSI projected outlays by 2028, informed by successful demonstration results and other evidence. SSA will partner with HHS and the Department of Education (ED) and DOL. The funding for these demonstrations will depend on the design and target population. Those projects focused on changes to SSA program rules such as time-limited benefits or disability eligibility will require an expansion of both section 234 and section 1110 authorities and an extension of the section 234 authority to provide sufficient time to complete the evaluation.

Projects focused on people with disabilities before the individuals apply for SSA's disability programs require additional section 1110 funding. We are requesting \$25 million in FY 2019 for the Promoting Employment through Early Interventions Demonstration described in the previous section.

Potential future projects for funding include:

- Identifying strategies to help prescription opioid users who have left the labor force (but are not receiving SSI/DI) or are at risk of doing so to help them secure or maintain employment;
- Enhancing the disability determination screening process that replaces the reconsideration appeal step after an initial denial with a detailed case review and report by a qualified attorney;
- Requiring applicants to engage in job seeking activities before their application is considered;
- Pushing existing State vocational rehabilitation offices to intervene earlier with individuals on a track to end up on DI; and
- Mandating that lower back pain and arthritis sufferers engage in rehabilitation traditionally used in occupational health treatment services before receiving benefits.

Mandatory Participation of Program Applicants and Beneficiaries

People with disabilities should be independent and self-sufficient whenever possible, and these demonstrations require universal engagement (that is, mandatory participation) of the eligible population to provide policy-relevant motivations for individuals to pursue other options besides disability benefits. Furthermore, the exploration of alternative program designs will help ensure that we can sustain these vital programs for generations by targeting them carefully and directing resources to where they are needed most.

Potential applicants and beneficiaries have a wide range of conditions and experiences; universal engagement is required in order to accurately assess how program changes might affect different

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groups of people. In contrast, when demonstration projects are voluntary, the results reflect the outcomes of the subset of the population who volunteered. As a result, the impacts are not easily generalizable to the national population and may not provide the adequate understanding required to make informed decisions about broader policy changes. Policy decisions made without an understanding of the distributional impact could have harmful repercussions. For these reasons, mandatory participation in the proposed demonstrations will allow us to identify improved program designs that will provide a basis for permanent reforms to the programs.

Extension of 234 Authority

We will also continue to support a legislative change to our section 234 demonstration authority to allow us to continue any demonstrations initiated for their optimal amount of time, up to ten years. We are not requesting to amend the date by which we must initiate projects but request the authority to implement and evaluate to be extended through 2028.

When the BBA was enacted, the actuaries forecast that the SSDI Trust Fund (TF) reserves would be depleted around 2022 and Congress would again need to legislate on the program. A significant decline in new applications and awards has now extended the TF reserves to 2028, introducing uncertainty of the timing of future SSDI legislation.

Also, the current period of section 234 authority prevents SSA from pursuing promising demonstration ideas. SSA has drafted other projects that could be pursued with existing authority but would be challenging to implement and evaluate before December 31, 2022. For example, the Ultimate Work Incentive demonstration, which eliminates all earning limitations and work incentives in order to tests the boundaries of earnings capacity and effectiveness of work incentives, would require a minimal timeline of 8 years for planning, implementation, and evaluation.

EXISTING MAJOR RESEARCH AND OUTREACH PROJECTS

Our research and demonstration projects help us to significantly increase the efficiency and accuracy of our mission-critical work. Below is a detailed summary, by category, of the major research and demonstration projects we plan to conduct in FY 2019:

Increase Labor Force Participation Through Successful Demonstration Projects

Social Security has a history of conducting demonstrations to test strategies to increase the self-sufficiency of individuals with disabilities and to increase their labor force participation. Key projects in support of this effort include:

Promoting Readiness of Minors in SSI (PROMISE)

PROMISE is a joint pilot demonstration program with ED, HHS, and DOL to test interventions that improve the health, education, and post-school outcomes of children who receive SSI, including the completion of postsecondary education and employment. It is also intended to improve family or household outcomes through improved services and supports, such as education and job training for parents.

In FY 2013, ED's Office of Special Education and Rehabilitation Services awarded competitive grants to five States and one consortium of States. States are using these funds to improve coordination and increase the use of existing services for which children receiving SSI and their families are already eligible. These services are available through the Individuals with Disabilities Education Act, the Vocational Rehabilitation State Grants program, Medicaid's Care Coordination Services, Job Corps, and other Workforce Investment Act programs.

Developing and conducting a rigorous evaluation to guide implementation and gather evidence is a key component of PROMISE. In FY 2012, we convened a technical advisory panel to help prioritize the evaluation needs of this project. In FY 2013, we awarded a contract to Mathematica Policy Research to evaluate PROMISE pilot interventions. In FY 2014 and FY 2015, our evaluation contractor provided technical assistance to the State grantees, began randomly assigning youth into treatment and control groups, conducted site visits and focus groups, and began delivering early assessments of the demonstration's recruitment and enrollment process.

In FY 2016, our contractor delivered the last of the early assessment reports and began collecting data for the first national evaluation survey. The contractor also conducted additional site visits and focus groups. In FY 2017, our contractor continued conducting surveys and conducted the final site visits. In FY 2018, our contractor will finish conducting the 18-month survey and will begin developing the five-year survey. We will also receive the process analysis reports and a comprehensive interim services and impact report focusing on short-run impacts in FY 2018.

In FY 2019, our contractor will begin conducting the five-year survey on longer-term outcomes that will be included in the final report.

Supported Employment Demonstration (SED)

SSA has conducted various demonstrations for DI beneficiaries that show interventions after complete disability onset can yield positive outcomes, such as moderately increased earnings.¹ These demonstrations, however, have not identified interventions that would return beneficiaries to substantial and sustained employment. SED will evaluate whether offering evidence-based packages of vocational, medical, and mental health services to recently denied disability applicants can reduce the demand for disability benefits.

Services carried out in SED are coordinated through supported employment teams that operate within community mental health agencies and other medical providers. These teams use the individual placement and support (IPS) model to deliver evidence-based services to help participants remain in or return to the labor market rather than seek disability benefits. Participants also receive health-related treatments including behavioral health and related services, systematic medication management, and coordination between mental and physical health therapies.

¹ For a detailed discussion of SSA's demonstrations, their findings, and related publications, see SSA's *September 2016 Annual Report on Section 234 Demonstration Projects* at <http://www.ssa.gov/disabilityresearch/demos.htm>.

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All of the SED Demonstration community health sites offer some blend of drug abuse and addiction treatment services that includes opioid treatment services. Also a number of these sites are nationally recognized for being at the forefront of opioid addiction treatment. In FY 2016, we awarded a contract to implement and evaluate SED for impacts on outcomes such as employment, earnings, health, DI and SSI applications, and benefit receipt. The demonstration included a one-year start-up phase (FY 2017) and a five-year implementation phase. In FY 2017, the contractor refined the study design and conducted demonstration start-up activities including finalizing site selections and obtaining Office of Management and Budget (OMB) clearance for surveys and other data collection instruments including the Work Disability Functional Assessment Battery (WD-FAB), administered as a supplement to other project surveys.

In FY 2018, we began recruitment and participant enrollment as well as full administration of our intervention services. These intervention services will continue into FY 2020 and include cost reimbursement for certain health care expenses paid by uninsured participants enrolling in the SED until the next Affordable Care Act (ACA) open enrollment period. Service delivery will continue into FY 2021. The final evaluation impact report is due in FY 2022. We are requesting additional funds due to higher than anticipated rates of uninsured participants in the target population. These additional funds are necessary to support the successful implementation of this demonstration.

Serve the Public through a Stronger, more Responsive Disability Program

The DI and SSI programs are the largest Federal programs providing assistance to people with disabilities. Eliminating the disability hearings backlog and improving the effectiveness of the disability process are two of our top priorities. Key projects in support of this effort include:

Advisory Services to Assist SSA with Disability Issues/National Academies

As part of our efforts to continuously improve the administration and effectiveness of our disability programs, in FY 2013 we entered into a new five-year contract with the National Academies to conduct research on behalf of SSA. The National Academies established a standing committee of medical experts to assist us with ongoing and emerging disability issues at steps three, four, and five of the sequential evaluation process. The standing committee meets three to four times per year and assists SSA with the review of disability-related research and clinical practices. Involving independent medical experts in our process helps to further maintain the objectivity of our policies and procedures. Additionally, the current contract also provides for Federal Advisory Committee Act (FACA)-compliant consensus committees of medical and other experts.

In FY 2013, we awarded a task order for a consensus study committee to describe past and current trends in the prevalence and persistence of mental disorders for the general U.S. population under age 18, and provide a comparison between those trends and trends in the SSI childhood disability population. In October 2015, we received the committee's final report, which concluded that the number of children that receive SSI benefits for mental disorders has remained relatively stable. The committee found that, after taking child poverty into account, the increase in the percentage of poor children receiving SSI benefits for mental disorders (from 1.88

percent in 2004 to 2.09 percent in 2013) is consistent with and proportionate to trends in the prevalence of mental disorders among children in the general population.

In FY 2014, we awarded a task order for a consensus study committee to perform a critical review of selected psychological testing, including symptom validity testing, that could contribute to our disability determinations. In June 2015, we received the committee's final report, which verified where appropriate, that there is value in standardized psychological testing, including both non-cognitive measures and cognitive tests. The committee also concluded that validity tests alone do not provide information about whether or not an individual is disabled. These findings support our current practice of considering the results of standardized psychological tests when they are part of the record, but not ordering validity tests alone.

In FY 2014, we also awarded a task order for a consensus study committee to describe past and current trends in the prevalence and persistence of speech and language disorders for the general U.S. population under age 18, and provide a comparison between those trends and trends in the SSI childhood disability population. In April 2016, we received the committee's final report, which found that trends in child SSI recipients are generally consistent with trends in the prevalence of the disorders in the general population. Further, the trend in child poverty—with more families meeting the SSI income requirements—is a factor affecting trends observed in the SSI program for children with speech and/or language disorders. The report further concludes that severe speech and/or language disorders in children are conditions that interfere with communication and learning and represent serious lifelong threats to social, emotional, educational, and employment outcomes. Thus, the report helps to explain that it is reasonable to expect that children with severe speech or language disorders continue to remain on our rolls. These disorders persist despite effective treatment. The report also offered support for the manner in which determinations are made, noting: “the Social Security Administration employs the results of professionally administered assessments, and also takes into account other clinical evidence that would be consistent with severe speech and language disorders.”

In FY 2014, we awarded a task order for a consensus study committee to provide recommendations to improve the accuracy and efficiency of our policy and procedures for adult capability determinations. In May 2016, we received the committee's final report, which recognized the importance of the representative payee program to the well-being of beneficiaries in need. The committee found that SSA provides the most in-depth information on beneficiary behaviors and abilities that potentially bring capability into question during the disability determination process as compared to other programs studied. SSA's requirement for lay evidence of beneficiaries' financial performance in making capability determinations is consistent with the committee's conclusion that evidence of real-world financial performance is the most reliable basis for making such determinations. The committee found no “gold standard” for determining financial capability among the similar benefit programs reviewed. Likewise, the committee concluded that sufficient data on reliability and validity of various instruments to assess financial capability are not yet available. The committee recommended that SSA should:

- Provide detailed guidance to professional and lay informants regarding the information it would find most helpful for making capability determinations;

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- Create a data-driven process to support the development of approaches, including screening criteria, for identifying people at high risk for financial incapability;
- Ensure intra-agency communication regarding capability determinations within its different programs and among other relevant Federal agencies;
- Develop systematic mechanisms for recognizing and responding to changes in beneficiaries' capability over time;
- Implement a demonstration project to evaluate the efficacy of a supervised direct payment option for qualified beneficiaries; and
- Develop and implement an ongoing measurement and evaluation process to quantify and track the accuracy of capability determinations. This will also help SSA inform and improve its policies and procedures for identifying beneficiaries who are incapable of managing or directing the management of their benefits.

Each recommendation requires an independent evaluation to determine if the recommendation can be funded within the agency's constrained resources.

In FY 2015, to help SSA modernize disability criteria and in response to the Government Accountability Office (GAO) recommendation, we awarded a task order for a consensus study committee to provide an overview of assistive devices that relate to physical and mental disorders and functioning for adults. In July 2017, we received the committee's final report. The report provides comprehensive information on the availability of, and access to, assistive technology. It conveys that people with disabilities confront enormous complexity and variability in health care insurance coverage and funding for the acquisition and use of assistive technology. The findings regarding this variability in access support our current process to consider assistive technology only when the claimant clearly used it in a work setting.

In FY 2016, we awarded a task order for a consensus study committee to identify and describe programs and services aimed at improving health, and functioning outcomes for school-aged children with disabilities. We will focus on the most commonly-occurring disabilities in children who receive SSI or may qualify for SSI. This will help SSA to better understand what programs and services can improve the health and functioning of certain disabled child SSI recipients. We expect to receive the final report in July 2018.

In FY 2016, we also awarded a task order for a consensus study committee to provide a general description of the health care delivery system and identify health care utilizations that represent a good indicator of impairment severity for the purposes of the disability program. We expect to receive the final report in April 2018.

In FY 2017, we awarded a task order for a consensus study committee to provide an overview of the functional abilities an adult needs to meet the physical and mental demands of work, along with information about functional assessment tools and instruments that deliver information about an adult's functional limitations. The objectives are to:

- Identify and describe key essential functional abilities relevant to work activity;
- Discuss the relationship between the identified functional abilities and the occupational data gathered by the Bureau of Labor Statistics (BLS) in its new Occupational Information System; and

- Provide findings and conclusions regarding the collection of functional information.

We expect to receive the final report in July 2019.

In FY 2018, we plan to enter into a new five-year contract for an independent standing committee of medical and other experts. The standing committee will provide us with the most current medical information by conducting surveillance research to identify advancements in new technologies, diagnostics, biomarkers, and methods for detecting medical conditions. The multidisciplinary information that results from this research is critical in identifying opportunities for us to update disability policy in an effective and targeted way. By having independent medical experts provide us this information, we maintain our objectivity. Under this new contract, we plan to award a task order for a consensus study committee to determine the appropriateness of a medical improvement standard for childhood CDRs, which is important because of the basic changes children experience due to natural childhood development. We will then evaluate the effectiveness of conducting disability redeterminations (not CDRs) at ages other than 18 using the childhood disability rules.

In FY 2019, we plan to award a task order in the form of a consensus study committee to identify additional disorders where it is appropriate to have a specified timeframe. This will assist SSA to target continuing disability review resources more efficiently and ensure the consistency of our reviews with current medical and treatment trends. “Specified timeframe” means that we would find the identified disorders disabling for only a set amount of time (for example, one year or three years) and then would need to reevaluate disability because we would expect those disorders to medically improve in that amount of time.

Additionally, in FY 2019, we plan to award a task order to create a consensus study committee that will obtain employment, occupational, and demographic trends on what constitutes regular and continuing work in the modern workplace. This will enable SSA to properly consider individuals’ abilities to do sustained work-related physical and mental activities in work settings.

Finally, in FY 2019, we are considering a task order for the National Academies to plan and conduct a public workshop comprised of stakeholders from a host of backgrounds to discuss effective treatment of pain and similar symptoms in target populations who may have left the labor force. This will assist SSA to understand how individuals’ medical and other evidence properly supports the severity and trajectory of impairments that involve pain symptoms.

Disability Analysis File (DAF)

The DAF is a composite of the ten most relevant SSA administrative files that are used to answer questions about disability and work. The DAF pulls these files together into a single, meaningful file that researchers can easily understand and use. The DAF also provides complete, researcher-friendly documentation of the data for these files. For many SSA research and evaluation projects, the DAF eliminates the first 6 to 12 months of initial data investigation, acquisition, and processing by creating an annual structured database that is ready for analysis. This lets research proceed more efficiently and allows us to provide quick answers to complex ad hoc questions.

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The DAF proved to be an essential tool in FY 2017 for providing disability data and analysis in response to inquiries from the Office of the Inspector General, Congress and other Federal agencies, including OMB. Using the DAF allowed us to quickly answer oversight questions and make data-driven policy recommendations and changes. The DAF also supported many research projects in 2016, especially those under the DRC and RRC.

In FY 2017, we expanded the DAF to include all childhood SSI cases; the prior versions of the DAF only contained information for SSI youth ages 10 through 17. In FY 2018, we will continue to build the DAF and use this tool for quick turnaround inquiries and analysis as well as longer term research projects. We will also continue to improve the DAF to make it more useful to researchers. Currently, the DAF includes information on SSA beneficiaries only; denied applicants are not included in the file. In FY 2017, we developed administrative data to add to the DAF for all SSI and DI applicants from 2007 forward, including for those whose applications were denied. We will complete this development work in FY 2018 and will add an applicant sub-file for current and subsequent versions of the DAF. The second development is a public-use version of the DAF for researchers outside SSA. This is a scaled-down version of the full DAF that will include the DAF variables that have the broadest researcher interest. The file contains a random 10 percent sample of the full DAF, including approximately three million observations. We completed development work on the public-use version of the DAF in FY 2017. In FY 2018 we will attain approval by SSA's Office of Retirement and Disability Policy Disclosure Review Board, certifying that the file does not disclose any personally identifiable data, and will post the public-use data and documentation on <https://www.data.gov>.

We intend to pull and post public use versions of the full DAF each year going forward based on new independent random samples each year. Each new DAF public use file will replace the prior version to keep the information in the file current. We expect to make the first versions of the new applicant file and public use DAF available to researchers in FY 2018.

We will continue to support research using the DAF and reproduce these files in FY 2019. In FY 2019, we will also modify the DAF to include changes and additions suggested by users. In particular, we plan to expand the application portion of the file to include information on the appeals process, and to explore expanding the range of data included in the public use version of the DAF.

Analyzing Relationships between Disability, Rehabilitation, and Work (ARDRAW)

This grant program provides one-year stipends to graduate and post-doctoral students to conduct research related to work, disability, rehabilitation, and employment support issues. Potential research topics include: working conditions of people with disabilities, work accommodations and needs, non-competitive employment, vocational and other types of services, and additional, non-SSA assistance provided to SSA beneficiaries to promote return to work. ARDRAW is renewable on a yearly basis for five option years.

In September 2016, SSA awarded the grant to manage the ARDRAW to Policy Research Inc. (PRI). PRI will recruit student researchers on a yearly basis from accredited programs with an academic emphasis in topics of interest to disability programs, including, but not limited to, public health, social work, economics, occupational medicine, vocational and rehabilitation

counseling, public policy and administration, sociology, psychology, education, medicine, and law. Applications for each cohort of student researchers will be due March 1 of a given year and awardees will be announced in June of that year, with projects due the following June.

In FY (June) 2017, PRI conducted outreach and awarded stipends to a cohort of 11 students. The second year of the grant was awarded to PRI in September 2017. PRI will award the second cohort of student stipends in May 2018. Student projects will focus on issues related to work and employment of people with disabilities. For more information, please see the ARDRAW website: <http://ardraw.policyresearchinc.org>

National Beneficiary Survey (NBS)

The NBS collects data from a national sample not available from any other source of DI and SSI beneficiaries and a sample of beneficiaries who have experienced success in returning to work. We have used the NBS to provide information on our programs and beneficiaries to answer questions for SSA, other Federal agencies, GAO, and Congress. The NBS is available as a public use file on Data.gov and on the SSA website.

From the NBS, we have learned about the health and socio-demographic characteristics of our SSI and DI beneficiaries with disabilities, including their physical and mental health status, functional limitations, education, health insurance, household living arrangements, and income. Beyond this basic information, we have also examined the work aspirations of beneficiaries with disabilities, their use of employment-related services, and their work activities and outcomes.

NBS data tell us that nearly half of all beneficiaries are interested in work and many are pursuing employment goals. The data also tell us that many barriers to work remain. Beneficiaries tend to have activity limitations, poor health, and low levels of education that limit their employment opportunities. Many rely on public programs where benefits may be limited by work and earnings. Many also experience work-specific obstacles, such as a lack of reliable transportation, inaccessible workplaces, and discouragement from work, either by others or through their own experiences.

SSA administered the first five rounds of the NBS in 2004, 2005, 2006, 2010, and 2015. We completed administration of the most recent round in 2017 and plan to administer the next round in 2019. The 2017 NBS included, for the first time, a large-scale focus on beneficiaries who have experienced employment success, and the 2019 NBS will add a longitudinal sample of successful workers who were part of the 2017 NBS.

Public use data files, documentation, and reports for the first five rounds of the NBS are available on our website at: <http://www.ssa.gov/disabilityresearch/nbs.html>.

New and Emerging Research – Disability

This section includes projects that provide broad program analysis and development in support of the DI and SSI programs. These projects typically include studies of program policy issues, the identification of trends in the disability programs, the formulation of agency policy regarding cross-cutting programs or issues related to disability and/or income assistance programs, and the

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development and implementation of policy and procedures on DI and SSI work incentives. Often, these projects address necessary but unforeseen requests for studies from Congress, OMB, the Administrative Conference of the United States, and others, which are typically quick turnaround projects regarding policy priorities.

SSA-NIH Research on Data Analytics and the Work Disability-Functional Assessment Battery (WD-FAB)

Under an agreement with their Epidemiology and Biostatistics Section, Rehabilitation Medicine Department of the Clinical Research Center, NIH provides in-depth analysis of our existing data and contracts with Boston University (BU) in developing a WD-FAB. The WD-FAB may provide uniform information about individuals' self-reported functional ability that we can use to inform our data collection and determination processes.

In FY 2017, NIH and BU continued their work on WD-FAB item replenishment study to enhance the rigor of the existing instrument. In addition, NIH expanded their data analytic effort to improve the precision of the Compassionate Allowances (CAL) software. The CAL initiative identifies diseases and other medical conditions that invariably qualify for allowance under our Listing of Impairments. The initiative allows us to target the most obviously disabled individuals for allowances based on objective medical information that we can obtain quickly. NIH also provided SSA's Office of Hearings Operations (OHO) with methods and workload assistance tools to assist OHO in their existing and ongoing efforts to optimize case processing at the hearings level. Additionally, NIH delivered a stand-alone progress report on methodologies to identify functional terminology and pertinent summary outcomes as well as associated relationships with medical evidence, specifically detailing their progress in extracting Mobility information from relevant documents using Natural Language Processing.

In FY 2018, NIH will complete work on the WD-FAB predictive validity and item replenishment studies, resulting in delivery of an updated and replenished version of the instrument. In addition, NIH will also continue their data analytic efforts to improve the precision of the CAL software by reviewing additional CAL conditions. NIH will also continue their efforts to develop methods to assist SSA in identifying functional terminology and relevant summary outcomes, as well as associated relationships with medical evidence. This will assist agency adjudicators in more efficiently reviewing and processing disability claims.

In FY 2019, NIH will assist SSA with exploring options to evaluate potential applications of the WD-FAB in our disability process. In addition, NIH will continue to explore data-driven methods to inform our data collection and determination processes by continuing data analytic efforts to improve the precision of the CAL software. NIH will also continue to support internal SSA efforts to develop methods to identify, extract, and analyze unstructured functional terminology in medical records to provide decision support to SSA and our affiliated state Disability Determination Service (DDS) adjudicators.

Occupational Information System (OIS) and Vocational Information Tool (VIT)

We are developing a new OIS that will replace the Dictionary of Occupational Titles (DOT) as the primary source of occupational information in our disability adjudication process. DOL developed the DOT, but has not updated the Dictionary since 1991 and is not planning to do so. In 2012, SSA asked BLS to conduct feasibility tests to determine whether they could collect the type of occupational information we need, using their National Compensation Survey platform. BLS calls this data collection effort the Occupational Requirements Survey (ORS). In September 2015, after three years of successful testing, and improvements to the survey and methods, BLS began production data collection. The first production collection cycle will take three years, and collect data accounting for 90 percent of workers in the economy. Our current plan is to replace the DOT with the OIS in 2020 with the introduction of a Vocational Information Tool (VIT) for adjudicators. Based on a shelf-life study commissioned by BLS, we believe that occupational data will remain current for five to ten years. Our plan is to put the OIS on a five-year update cycle beginning in September 2018. Therefore, the first update after the initial three-year collection cycle will be completed in FY 2024.

The OIS will be a compendium of occupational-related data from multiple sources¹, which will be housed, accessed, and operationalized through the VIT, a web-based information technology platform. The VIT will filter and sort the data for SSA staff to adjudicate disability claims. We also plan to expand beyond DOT information by including descriptions of the basic mental and cognitive requirements of work, once BLS has completed testing these elements.

From FY 2013 through FY 2015, we signed yearly IAAs with BLS to conduct data collection feasibility testing. In FY 2013, BLS tested collecting the physical and skill requirements of occupations and workers' environmental exposure. After each of the three test phases, BLS consulted with SSA, evaluated data collection issues, and refined the data collection protocols and processes.

In FY 2016, BLS completed the first round of production data collection, and continued analysis of the pre-production test data to improve collection methods and ensure data quality. In May 2016, BLS began the second year of production data collection. On December 1, 2016, BLS released estimates from the first year of production data collection which included information from approximately 6,500 employers.

In FY 2017, BLS completed the second year and began the third year of production data collection. They continued activities to improve survey methods and conducted ongoing validity studies. After extensive testing of the mental and cognitive data elements, SSA decided to assemble a new set of questions that better define the cognitive concepts, definitions, and thresholds that we need for adjudication. These questions will enable BLS to collect information we can use to adjudicate disability claims with a mental/cognitive component. After initial in-house testing, BLS began testing the wide-scale collection of these new questions in September

¹ The OIS will combine BLS data with task information from DOL's Occupational Information Network (O*NET), military occupations from the Military Occupational Classification (MOC), and data from BLS' Occupational Employment Statistics.

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2017, as part of the third year of production data collection. If the test is successful, the new questions will debut in the first five-year refresh cycle of data collection beginning in September 2018.

In FY 2018, BLS will complete the third year of data collection and begin the first OIS refresh cycle, which will run for five years. BLS released the second year of production data to us in November 2017. BLS will also complete a second job observation test to ensure data validity.

In FY 2019, BLS will complete the first year of the OIS refresh cycle and begin the second year. BLS has proposed a sampling approach that will target rarer occupations in the first two years of the refresh, which they estimate will result in more publishable occupations at the end of the five year period. In December 2018, they will publish the data from the third year of data collection from the initial three-year collection cycle and complete sample design research.

More information regarding this project is available at our OIS website:
https://www.ssa.gov/disabilityresearch/occupational_info_systems.html.

Deliver Innovative Quality Service

Understanding America Study (UAS) Enhancements

The UAS is an innovative, nationally representative longitudinal internet panel. Through a jointly financed cooperative agreement with the National Institute on Aging (NIA), our support will maintain the sample size we funded in prior fiscal years. It will also allow for additional data improvements that support policy-relevant research and evidence-based decision-making. Planned data enhancements include:

- Increasing the sample size so that we can conduct more robust retirement security research on the American public to inform SSA's targeted outreach efforts to specific populations, including young workers and those nearing retirement; and
- Maintaining a Quick Turnaround Project fund for directly testing and answering emerging research questions from internal and external policy makers.

The UAS enhancements allow SSA to make more informed decisions about initiating new policies, procedures, and educational products designed to enhance retirement security. The UAS data also serves the public because the sample we support is available for researchers inside and outside of SSA to use in addressing research questions. For example, the grantee has worked with the agency and the White House Social and Behavioral Sciences Team on a study to test if it is possible to improve the UAS respondents' understanding of the Social Security retirement earnings test. In addition, the Financial Literacy and Education Commission (FLEC) and non-profits have used data from the UAS about consumer debt, the public's knowledge of Social Security programs, and from whom the public seeks financial advice at research symposiums. Researchers at SSA and University of Southern California (USC) have used data from the first wave of the UAS to publish the paper "Wealthy or Wise: How Knowledge Influences Retirement Savings Behavior."

Data Development in an Enterprise Business Intelligence Platform (formerly the Enterprise Business Intelligence Platform)

The Enterprise Business Intelligence Platform (EBI), together with SSA's Office of Retirement and Disability Policy's (ORDP) Analytics Research Center (ARC), provide advanced analytics and data integration tools for efficient access and analysis of agency records to support data driven decision-making. Section 1110 funds support a subset of activities to enhance research and statistical functions conducted by SSA's Office of Research, Evaluation and Statistics (ORES), primarily the publication of statistics from administrative records.

Some of our legacy processes used to produce statistics still require significant manual intervention. Reports and data files are generated monthly, quarterly, yearly and on an ad-hoc basis. Modernized applications automate the processes to create statistical data, tables and reports for research purposes using EBI Tools, and send the output to a SharePoint site for easy access, limiting manual intervention. Modernization processes have improved report and data production efficiency and accuracy.

In FY 2016, research support for EBI led to the completion of the following automated statistical publication projects:

- Generation and validation of data files and statistical reports for Windfall Elimination Provision (WEP)/Government Pension Offset (GPO).
- Representative Payee publication reports and statistical tables requested by SSA components.
- Support for ad-hoc statistical analysis project requests. This work includes partnership with ORES staff and ARC contractors using EBI tools to support the development of processes for the production of statistics or data extracts. ARC contractors provide Statistical Analysis System (SAS) and EBI tools expertise to ORES staff who create the statistics and reports.

In FY 2017, research support for EBI led to the completion of the following projects:

- Modernization and automation of the code and business processes for SSI monthly and quarterly reports. This includes development and validation of over 30 statistical data files and 110 statistical reports which include multiple statistical tables in each report.
- Automation and validation of processes for our earnings publications reports and data files. Examples of earnings publications include the Earnings and Employment Data for Workers Covered Under Social Security and Medicare, by State and County; and the SSI Annual Statistical Report.
- Support for ad-hoc statistical analysis project requests. Work included the partnership with ORES staff and ARC contractors using EBI tools to support the production of statistics and data extracts. For example, ORES developed data and provided research support for a project assessing the value of a data match with DHS' Arrival and Departure Information System (ADIS) for measuring payment accuracy.

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ARC contractors provided SAS and EBI tools expertise to ORES staff, who developed and analyzed the ADIS research datasets.

FY 2018 plans include:

- Modernization and automation of the code and business processes for SSI annual statistical reports and publications. This includes development and validation of over 40 statistical data files produced every year and over 290 annual statistical publication reports, with multiple statistical tables in each report.
- Development of a proof of concept for use of 100-percent geography files in the earnings publication process to systematically assign geography codes. This process will improve our county earnings estimates by improving the accuracy and disclosure (reduced cell suppression) of these statistics.
- Provide support for ad-hoc statistical analysis requests. Work includes partnership with ORES staff and ARC contractors. Contractors provide EBI tools expertise to ORES staff for the production of statistics and/or data extracts.

In FY 2019, ORES will continue to build tools to enhance our research and statistical reports. The Continuous Work History Sample (CWHHS) is one of various examples of the reports that are generated from screened data using business requirements. The CWHHS is a critical research data repository that is used in estimating tax transfers to the Social Security trust funds. Statistics derived from this database are included in the Trustees Report, solvency research, published reports about Social Security programs, and for responding to White House and Congressional inquiries. Modernization efforts will focus on enhancing and standardizing obsolete data collecting methodologies with the use of modern statistical analytical tools like SAS. The effort will include the modernization of the earnings statistical processes for geographic assignments to earnings, county/state tables to improve accuracy, and the number of workers at the taxable maximum to address rounding errors.

New and Emerging Research- Retirement

In FY 2019, we plan to continue our partnership with the NIA supporting the “Roybal Center for Decision Making to Improve Health and Financial Independence in Old Age” at the University of Southern California. Congress created the Roybal Centers Program in 1992 to help translate basic social and behavioral research into practical applications for improving the health and well-being of older Americans. We intend to use the Roybal Center project to address emerging research topics of value to the agency and external stakeholders, such as the White House and Congress. We first contributed funding to this project in FY 2015. The pilot projects the grantee has completed so far include research on financial decisions, annuities, and other topics that could inform our outreach and messaging to improve retirement security. For example, one of the pilot projects has been developed into the paper, “Unraveling the aging skein: Disentangling the effects of sensory and cognitive predictors on decision making.”

We may also continue to address retirement topics using other research vehicles, such as Intergovernmental Personnel Act (IPA) scholars. Through the IPA program, we fund recognized scholars to work on defined and targeted projects to help create unique and valuable retirement

research relevant to SSA's mission. Past accomplishments from the IPA program include research on the impact of the Social Security Statement for both younger and older workers, the earnings implications of divorce for women, and the effects of employment gaps and layoffs on earnings and Social Security benefits. In FY 2018, we are funding an IPA scholar to continue working with agency staff on a project examining mortality adjustments and longevity in Social Security reforms.

Research and Innovation Lab/Umbrella Task Order

In FY 2017, we conducted market research to determine if a multiple award task order contract to conduct targeted research projects to further ensure policy decisions are evidence-based was feasible. Our research determined there are a number of the General Services Administration (GSA) vendors that would be able to fulfill this need.

In FY 2018 we plan to pursue this contract to ensure that the expertise is available to support the diverse needs of our expansive disability program, including such areas as medical and vocational policy, and the synthesis of claimant demographics and social insurance trends. We plan to have the Umbrella Task Order contract in place by the end of the second quarter of FY 2018 for use by ORDP components. Once in place, the contract will allow ORDP to quickly address multiple research topics simultaneously. Potential topics include consideration of how the vocational factors of age, education, and past work experience apply to the disability program today in light of technological and demographic changes in the workplace; the analysis of BLS' Occupational Requirements Survey data; and the effects of multiple impairments. The Umbrella Task Order Contract will have a duration of five years from date of award.

Medicare Outreach – Section 1144

Section 1144 of the Social Security Act requires that we conduct outreach to Medicare beneficiaries who may qualify for Medicare cost-sharing assistance under the Medicare Savings Programs (MSP) or for the Medicare Part D low-income subsidy. In order to meet this requirement, we have targeted our outreach efforts to include income-tested new Medicare beneficiaries, beneficiaries that have experienced a drop in income, and 20 percent of those who were previously notified of their potential eligibility and still meet the appropriate test.

We use a variety of outreach methods to inform those who potentially qualify for the MSP and/or subsidized Part D. We also send outreach letters to former DI beneficiaries without Medicaid who lost their free Medicare Hospital Insurance (Part A) due to work. These beneficiaries may be eligible to get help from the MSP to pay their monthly Part A premiums.

In FY 2017, we mailed approximately 2.3 million outreach letters to those who potentially qualified for MSP or Medicare prescription drug coverage low-income subsidy and in FY 2018 we anticipate approximately the same number of mailings.

Strengthen the Integrity of Our Programs

One of the primary aims of our research program is to preserve the public's trust in SSA's programs by simplifying and streamlining how we do our work. To meet the challenges of our growing workload, SSA's research program provides analyses and data that support our efforts

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to make Social Security more responsive to the needs of the 21st century workforce. The following project summaries highlight the external efforts we plan to fund in FY 2018 that will help to simplify and streamline our policies, procedures, and business processes, as well as maximize our use of automation:

Census Surveys

The Census Bureau's surveys—primarily the SIPP and the Current Population Survey—are the foundation for much of our policy analysis and modeling efforts. Improving the overall quality of data from Census Bureau surveys enhances the value and reliability of the analyses we conduct. We support efforts to improve the quality of Census Bureau survey data that are of direct relevance to analyses of the OASDI, SSI, and related income-maintenance programs. In addition, we support efforts by the Census Bureau to improve the ability to match Census Bureau survey data to our administrative data on benefits and earnings.

Beginning in FY 2010, a major focus of our funding has been to contribute to the Census Bureau's re-engineering of SIPP, with a new survey that entered the field in February 2014. We rely upon SIPP data matched to our records to study the effects of OASDI, SSI, and related programs and to determine how program changes affect individuals, the economy, and trust fund solvency. Some of the important data elements required for our modeling and analysis efforts are not contained in the Census Bureau's re-engineered SIPP. In recent years, we have provided funding and worked with the Census Bureau to design a supplementary data collection to the re-engineered SIPP to meet our research and evaluation needs. Our FY 2015 funding completed our support of the supplemental data collection effort and data processing for the 2014 SIPP, and we received data in 2017.

A new panel of the redesigned SIPP will begin in 2018. SSA plans to add a small set of variables to the annual SIPP interviews beginning with Wave 2, which will go to the field in February 2019. The additional variables relate to pensions, disability, and marital history. They will allow us to update our models and will improve our ability to respond to requests from the White House, Congress, and others to evaluate the impact of proposed changes to Social Security programs.

Data Development

One of the main objectives of our extramural research program is to provide information for decision-makers on the Social Security and SSI programs. A key ingredient to providing such information is having appropriate data to answer questions on a range of issues. As part of this effort, we develop and maintain a series of detailed statistical databases drawn from SSA's major administrative data systems; prepare a broad range of statistical tables; produce statistical compilations and publications; and develop information for research, evaluation, and models using survey data collected by SSA, other Federal agencies, or Federally-sponsored institutions.

This project funds the creation of data that are needed to inform policymakers about important programs, efforts to make data more widely accessible or usable for policy research purposes,

and collaboration with other agencies to study issues of policy relevance or to improve data quality and methods of data analysis.

Projects that we are currently funding include:

- Committee on National Statistics of the National Research Council—along with contributions from other Federal statistical agencies, provides support to the committee to improve statistical methods and information on which public policy decisions are based. Recent Committee topics include survey options for estimating the undocumented immigrant flow at the Southwest border; redesigning the Consumer Expenditure Surveys; improving healthcare cost projections for the Medicare population; formulating a research agenda for the future of social science data collection; the future of Federal household surveys collecting pay information from employers by gender, race and national origin; and measuring financial vulnerability by analyzing spending on medical care spending.
- Programs in Survey Methodology—a project jointly sponsored by the Interagency Council on Statistical Policy to develop up-to-date research techniques and training programs to train the next generation of researchers on state of the art practices in the statistical and methodological aspects of surveys.
- Research on Survey Methodology Program—a collaboration with the Interagency Council on Statistical Policy to further the development of new and innovative approaches to surveys that will have broad implications for the field in general and specifically for the Federal statistical system. Research topics include survey measurement issues, data collection procedures, technological issues related to survey design, and methods for the analysis of survey data.
- Key Indicators of Well-Being of Older Americans—provides support to the Federal Interagency Forum on Aging-Related Statistics for an interagency collaboration to produce a chart book with 37 key indicators about older Americans in five broad areas: population; economics; health status; health risks and behaviors; and healthcare; and related publications and workshops to identify and fill gaps and improve the quality of data on older Americans.

In addition to these specific projects, we will respond to new needs and opportunities for expansion and improvement of data as they arise.

Health and Retirement Study (HRS)

The University of Michigan's HRS surveys more than 22,000 Americans over the age of 50 every two years and provides an ongoing source of longitudinal data for research on retirement and aging. The study paints an emerging portrait of an aging nation's transition from work to retirement and provides data on health and economic well-being after retirement. HRS data help us assess a wide range of issues, including pre-retirement saving, health insurance and pension coverage, retirement patterns, and projected benefits of disabled and retired workers. Through jointly financed cooperative agreements with NIA, we have supported the HRS from its

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inception. HRS has become the premier source of data on the retirement-age population, especially when linked with our administrative records on benefits and earnings.

This project has five major components in FY 2019:

- Basic survey support that is targeted toward protecting against losses in sample size, improving data quality, assuring confidentiality of the data, and developing restricted access to administrative data on benefits and earnings.
- Production of user-friendly public-use HRS longitudinal data files with consistent imputations of missing data and simplified merging of observations across interview waves.
- Collection of longitudinal information from HRS respondents aged 50 and over on consumption and time use in order to understand how they change through retirement and whether people have adequate retirement income to meet their needs.
- Improvements to the consent rate among respondents to match HRS survey information to SSA administrative records on benefits and earnings. This goal is largely achieved through increasing the proportion of HRS interviews in each wave that are conducted in person rather than by telephone. This effort will continue in the future and will include the sample of the new cohort of respondents (referred to as the late Baby Boomers) that was added to the HRS survey and first interviewed in year 2016.
- Updates of sample weights that account for attrition across waves of the HRS, longitudinal imputations of wealth and asset measures, and an integrated file to facilitate matching of HRS data to SSA administrative records.

HRS Supplement

The HRS is an important source of longitudinal data on retirement and aging, but sample sizes of minority and low-income populations are small, limiting research on these groups. Through a jointly financed cooperative agreement with NIA, this project will maintain the increased sample size in the HRS for minority and low-income populations that we started supporting in FY 2009. For example, in FY 2014, there were 2,710 respondents in the HRS minority oversample. The minority expansion will continue to have HRS data matched to agency administrative records.

The HRS minority sample expansion allows researchers to complete subgroup analysis of vulnerable populations, which is particularly important as the HRS has become the premier data source for research on the near-retirement-age and retirement-age populations. The HRS is used heavily for research projects funded by SSA through the RRC/DRC and by SSA staff in conducting research on topics including pension participation, differences in contributions to tax-deferred savings accounts among different birth cohorts, and retirement resources of near-retirees. The HRS data we support is also available for outside researchers to use.

Since its inception in 1992, SSA has provided annual funding to support and improve data collection and linkage of HRS data to SSA administrative data. Among the items we fund are a user-friendly longitudinal HRS data file, which is heavily used by SSA analysts, academics and contractors; in-person interviews to improve consent rates to match to SSA records; and the

collection of longitudinal data on consumption patterns of a subset of HRS respondents. This unique longitudinal dataset makes it possible to study the dynamics of retirement and the aging of the population and how this is changing in successive cohorts. Almost 4,000 studies using HRS data are registered on the HRS website <http://hrsonline.isr.umich.edu/index.php?p=bibinfo1>. SSA uses the HRS for both policy analysis and model development. HRS data have been used to estimate labor force participation, retirement transitions, financial wealth, and housing equity relationships in SSA's Modeling Income in the Near Term (MINT) model. The data are also extensively used for RRC and DRC-funded research and as the basis for reports by the Congressional Budget Office (CBO) and GAO.

Retirement and Disability Research Consortium (RDRC)

The RRC and DRC are key tools for maintaining a strong capability to produce a large body of policy-relevant research on retirement, disability and Social Security issues and policy. The RRC is in its final year of the current cooperative agreements with three competitively selected research centers based at the University of Michigan, Boston College, and the National Bureau of Economic Research. The DRC is in its final year of the current cooperative agreements with the Mathematica Policy Research center and the National Bureau of Economic Research center.

Both programs are broadly charged with planning, initiating, and maintaining a high quality, multidisciplinary research program that covers retirement, disability and Social Security program issues. The centers perform valuable research and evaluation of retirement policy, disseminate results, provide training and education awards, and facilitate the use of our administrative data by outside researchers. These centers have greatly expanded the amount of policy research on Social Security-related issues and have responded to our specific analytical needs. The research results of the RRC and DRC are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs.

With a new competitive solicitation in FY 2018 we intend to consolidate the current RRC and DRC into a single program with a scope equivalent to the two currently existing programs. This single program will address issues related to OASDI and SSI. This combination of the RRC and DRC research programs will benefit the agency by increasing administrative efficiency and coordination. It may also provide greater flexibility for research centers; we will consider applications from research centers that provide both retirement and disability research as well as from smaller, specialized research centers (e.g., a center focused on issues relevant to the SSI program).

Recent RRC studies have looked at the role of occupations and their characteristics on the work choices of older workers. These studies are looking at how job demands influence retirement plans and whether changes to working conditions, either through job change or workplace accommodations, could lead older workers to delay leaving the workforce. International studies provide an additional opportunity to learn from comparing working conditions in the United States with working conditions in other countries and evaluating the effects of retirement and pension reforms relevant to the U.S. system.

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Additional studies through the RRC explore the arrangements individuals with dementia or cognitive decline have to manage their finances, whether through informal family care, by power of attorney, with a representative payee, or with other help, and whether that help is effective. The researchers have found that over 85 percent of individuals with dementia receive informal help with simple banking matters like paying bills, as well as complex matters like managing retirement accounts. Those with dementia who receive help are indistinguishable from those without dementia in terms of any difficulties they experience paying for utilities, rent, medicine, and food. This research is important to establish the size and the characteristics of the population of future retirees who will require representative payees to manage their Social Security benefits. Recent RRC papers are available at the following link: <http://www.ssa.gov/policy/rrc/>.

A recent RRC paper with continuing work examines the prevalence and effect of representation on the initial disability determination process. Initial findings reflect a 40 percent rise in initial claim level representation between 2010 and 2014. About 19 percent of claims had representation by the end of the period, but the pattern of representation varies significantly across different parts of the country. Claimants' representatives are more likely to be involved in cases with older and English speaking claimants who have impairments in less easy-to-document diagnosis groups, notably psychiatric disorders and back pain. While they found that cases involving representatives are generally more likely to be allowed, cases involving representatives that were denied were more likely to be denied on the basis of insufficient evidence or failure to submit to a medical examination.

The RDRC centers will continue research activities providing a comprehensive research program addressing issues in Social Security, retirement, and disability policy. We anticipate that focal topics for the initial year of the RDRC will include: factors in labor force participation, drivers of disability rates, state and local pension coverage and vulnerabilities for employees not covered by Social Security, and measuring sources of income in survey and administrative data. In addition, the RDRC will continue to train future experts on retirement and disability issues and policy through summer research training fellowships, dissertation support, pre- and post-doctoral fellowships, and early investigator grants.

Retirement Income Modeling

Fundamental changes to the Social Security retirement program can have a significant effect on the distribution of benefits, total retirement income, and incidence of poverty. Econometric and simulation models can provide policy makers with detailed information on the effects of changes in government programs on individuals, with projections for years into the future. SSA's MINT model is an important tool for such evaluations. MINT's projections of the aged population have been extended well into the 21st century to enable simulation of additional Social Security policy changes. MINT is particularly well suited for studying the distributional effects of reform proposals that are implemented immediately, but also provides valuable insights into proposals that are phased in over time. MINT has been used by SSA, GAO, the Council of Economic Advisors, and OMB. MINT estimates have provided data for numerous congressional policy proposals.

SSA continually assesses the functionality of MINT. MINT is updated frequently to enhance components of the model, add new components, use more recent data, and incorporate the latest

assumptions from the Trustees Reports through individual one to two-year contracts. A recently completed contract enhanced MINT to include more recent survey and SSA administrative data and incorporated behavioral responses, modeled family-level consumption, and improved processing efficiency and turnaround time.

We successfully awarded a contract to upgrade MINT by improving retirement account and wealth projections and incorporate more recent administrative data through 2016 that will be implemented during 2018. In FY 2019 we plan to conduct an independent assessment of MINT by contracting a third party to conduct an investigation of the current state of the model not only in terms of processes, functionality and usage, but also validity of each module, data set, and projection. We will seek advice on how to construct MINT in a fashion that improves upon efficiency of use, modeling methodologies, and model output. This analysis will include three key components:

- a. Developing a conceptual workflow of the current process (and all its components) – built after a thorough review of how the model functions
- b. Compiling a list of requirements and desired functionality of an “ideal” version of MINT – built after extensive interviews with key stakeholders
- c. Detailing recommendations and a roadmap for achieving the vision – built on the knowledge gained from the first two activities, as well as the assessment of the SIPP and other data sources

The MINT assessment will be awarded and implemented over FYs 2018-2019.

Social Security Programs Throughout the World

Social Security Programs Throughout the World (SSPTW) is a recurring publication that provides detailed and comparable information on social security programs in over 175 countries. Published by SSA since 1937, SSPTW is the only information source that provides current, reliable, and specific information on social security programs in such a large number of countries. Researchers at SSA and other organizations rely on this information to identify, monitor, and assess important developments in social security occurring around the world. This research includes tracking how the social security programs in various countries are responding to common demographic and economic challenges, such as population aging and changing labor markets. SSPTW is also used extensively in policy research that describes and evaluates different approaches to providing social security. It serves as a vital information source for ongoing policy research at SSA looking at work-to-retirement transitions, old-age pension adequacy, disability determination, and means testing. All of these research activities are crucial in informing discussions at SSA and elsewhere about the challenges facing the U.S. social security system and the policy changes needed to address them.

In addition to facilitating policy-relevant research, SSPTW supports many other important activities inside and outside of SSA. The Office of International Programs (OIP) at SSA uses SSPTW extensively in its preparation of totalization agreements with other countries that protect American workers and businesses from double taxation and encourage foreign direct investment in the United States. At the end of FY 2017, the US had totalization agreements in place or

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under review with 31 other countries. OIP and other SSA components also use SSSPTW to execute Section 202(t) of the Social Security Act (the Alien Nonpayment Provision) and prepare for international meetings addressing social security issues. Besides SSA, other key users of SSPTW include Congress (e.g. the Senate Special Committee on Aging and the Senate Committee on Health, Education, Labor, and Pensions), other Government agencies (e.g., GAO, DOL, and HHS), international organizations (e.g., the International Labor Organization (ILO), International Monetary Fund, United Nations, and World Bank), and various outside researchers and commercial interests.

To produce SSPTW, SSA currently works with the International Social Security Association (ISSA), an international organization comprising social security agencies and organizations from 158 countries. Through this cooperative effort, SSA produced two updated regional volumes of SSPTW in FY 2017 (Asia and the Pacific 2016 and Africa 2017) and began work on a third (The Americas 2017). In FY 2018, SSA expects to continue funding this work and publish two additional volumes of SSPTW (The Americas 2017 and Europe 2018).

RELATED FUNDING SOURCES

The Commissioner of Social Security has the authority to conduct research and demonstration projects under section 234 of the Social Security Act. SSA uses trust fund monies to conduct various demonstration projects, including alternative methods of treating work activity of individuals entitled to DI benefits. These demonstration projects, authorized under the 1999 Ticket to Work Act and the Bipartisan Budget Act (BBA) of 2015, P.L. 114-74, are funded from the trust funds, and are not part of the annual research appropriation request. OMB directly apportions section 234 funds. The BBA provides authorization to initiate such projects until December 31, 2021 and to carry out such projects through December 31, 2022¹. As mentioned in the section “Other Research Authority Request,” some new demonstration projects would require revised section 234 authority.

In addition to the two projects mentioned below, SSA plans to develop additional demonstration projects focused on the impact of financial incentives on a beneficiary’s determination to work. We plan to convene an expert panel in FY 2018 to provide input on designing a demonstration to test the effects of removing all work incentives and earnings tests for a sample of DI participants. That panel will provide recommendations for the optimal length of time for a study. In an additional effort, we will also move forward in a similar process to develop and test an intervention for helping people exiting SSI/DI to gain employment and remain off the rolls (under 1110 and 234 authorities).

Benefit Offset National Demonstration (BOND)

The Ticket to Work and Work Incentives Improvement Act of 1999 directed SSA to conduct a research demonstration to test the effect of offering a \$1-for-\$2 benefit offset to DI beneficiaries. BOND tests a benefit offset that gradually reduces benefits by \$1 for every \$2 earned above an annualized Substantial Gainful Activity (SGA) amount after the Trial Work Period (TWP) in

¹ For a detailed discussion of SSA’s demonstrations, their findings, and related publications, see SSA’s *September 2016 Annual Report on Section 234 Demonstration Projects* at <http://www.ssa.gov/disabilityresearch/demos.htm>.

combination with varying levels of benefits counseling. The goal of the project is to enable more beneficiaries to return to work and maximize their employment, earnings, and economic independence. Project participants maintain Medicare eligibility while their benefits are offset. BOND allows us to evaluate program costs and savings and trust fund implications if we were to implement such a program on a national scale.

In December of 2009 SSA awarded the contract to implement and evaluate BOND to Abt Associates. BOND is in the 8th year of operation. The BOND research project will end December 2018. Offset operations will continue until 2022 in order to serve BOND beneficiaries for a full five years. We received a draft of the final evaluation report in November 2017 and will release the final version in 2018.

Promoting Opportunities Demonstration (POD)

The BBA directed SSA to conduct a new demonstration testing a benefit offset in the DI program. POD will test a \$1-for-\$2 benefit offset for each month DI workers earn above the greater of the TWP level of earnings (\$850 in 2018) or their itemized impairment-related work expenses (up to the SGA, which is \$1,180 for 2018). TWP and Extended Period of Eligibility rules will not apply to participants in the treatment groups. The demonstration will include 5,000 beneficiaries in each of the three study groups: a control group; a treatment group who will be placed into suspense if benefits are reduced to \$0; and a treatment group whose DI eligibility will terminate if benefits are reduced to \$0 for 12 consecutive months.

In December 2016, SSA awarded the POD evaluation contract to Mathematica Policy Research. The POD implementation contract was awarded to Abt Associates in January 2017. With the State vocational rehabilitation and work incentive planning and assistance agencies in eight States, SSA will conduct the demonstration through 2021. We plan to begin recruiting participants and implementing the project in early FY 2018. Recruitment of participants will continue into FY 2019 or until we reach the targeted enrollment goal of 15,000 beneficiaries.

Table 2.23—Research Projects Obligations as of FY 2017
(in thousands)

	Years	Total
Serve the Public thru a Stronger, More Responsive Disability Program		\$ 275,430
Advisory Services to Asst. SSA with Disability Issues (old Listings of Impairments)	2008-2017	\$ 17,057
Disability Analysis File (DAF) (old Ticket Research File)	2008-2017	\$ 13,286
Disability Determination Small Grants DDP	2011-2015	\$ 1,350
Analyzing Relationships between Disability, Rehabilitation and Work: A Small Grant Program (ARDRAW)	2016-2017	\$ 600
Disability Research Consortium	2012-2017	\$ 27,237
National Beneficiary Survey (old Ticket to Work Program)	2008-2017	\$ 13,326
New and Emerging Research Disability (old Other Disability Research and Other Research)	2008-2017	\$ 6,709
SSA-NIH Research on Data Analytics and the Functional Assessment Battery (FAB) (old Compassionate Allowance)	2008-2017	\$ 19,175
Occupational Information Systems	2012-2017	\$ 88,555
Occupation Information System Vocational Info Tool	2017	\$ 2,163
Promoting Readiness of Minors on SSI (PROMISE)	2012-2017	\$ 13,335
Supported Employment Demonstration (old EIMHD)	2016-2017	\$ 72,637
Deliver Innovative, Quality Services		\$ 33,673
Understanding American Survey (old ALP)	2009-2017	\$ 9,697
Support for Minority Serving Institutions (old Collaboration with Other FLEC Members and Develop Data Resources for Financial Literacy Research)	2011-2016	\$ 7,262
Enterprise Business Platform	2015-2017	\$ 3,449
New and Emerging Research - Retirement (Roybal) (old Programmatic Development)	2010-2017	\$ 1,357
Medicare Outreach (1144)	2008-2017	\$ 11,908
Strengthen the Integrity of our Programs		\$ 124,734
Census Surveys	2008-2015	\$ 8,000
Data Development (old Policy Evaluation and Data Development and Other Data Development)	2008-2017	\$ 4,783
Health and Retirement Study (HRS)	2008-2017	\$ 28,195
Health and Retirement Study Supplement	2010-2017	\$ 12,000
Retirement Income Modeling	2008-2017	\$ 6,694
Retirement Research Consortium	2008-2017	\$ 63,962
Social Security Programs Throughout the World	2014-2017	\$ 1,100
Total Section 1110 and 1144 Obligations		\$ 433,837
Section 234 (BOND)	2008-2017	\$ 122,378
Section 234 (POD)	2016-2017	\$ 40,470
Total Section 234		\$ 162,848

ADMINISTRATION OF SOCIAL SECURITY'S RESEARCH ACTIVITIES

To implement these demonstrations and other section 1110 extramural research projects, we will need to continue to hire and develop staff able to test creative and effective ways to reform the disability and retirement programs for a modern labor market and promote greater labor force participation of people with disabilities. The ability to design and implement rigorous research and demonstration projects requires employees with unique skill sets in program administration, policy design, project management, research and evaluation, and problem solving.

SSA's primary research components are housed within the Office of Retirement and Disability Policy (ORDP). ORDP is responsible for all major activities in the areas of strategic and program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis and implementation. Within ORDP, the Office of Retirement Policy; the Office of Research, Demonstration, and Employment Support; the Office of Disability Policy; and the Office of Research, Evaluation, and Statistics share the responsibility of administering projects funded under SSA's research appropriation.

Office of Retirement Policy (ORP) - ORP provides policymakers in SSA, the White House, Congress, and the policy community with research on retirement security and information on the latest techniques to help the public make informed choices about planning for retirement, such as when to claim benefits. In addition to publishing research internally, ORP also funds four extramural research initiatives: the UAS, the New and Emerging Research—Retirement, and the HRS Supplement.

Office of Research, Demonstration, and Employment Support (ORDES) - ORDES conducts research and analysis related to the DI and SSI programs. ORDES implements demonstration projects to test changes to the disability programs primarily aimed at improving program administration and supporting employment; conducts research, analysis, evaluations, and statistical modeling that support the agency goals to strengthen our disability programs and improve program integrity; and collects new occupational information to support the agency's disability programs.

Office of Disability Policy (ODP) - ODP oversees and supports the planning, development, evaluation, and issuance of substantive regulations, policies, and procedures for the SSA administered disability programs; development and promulgation of policies and guidelines for use by State, Federal, or private contractor providers who implement the disability provisions of the Social Security Act; evaluation of the effects of proposed legislation and legislation pending before Congress to determine the impact on the disability programs; and the coordination of interrelated policy areas. ODP uses research to identify opportunities for policy improvement; keep medical, childhood, disability, and CDR policies up to date; and make informed decisions.

ODP is currently engaged in a multi-year contract with the NAS. This contract allows SSA to obtain impartial advice on medical developments and clinical issues from experts in a variety of medical and clinical disciplines. The NAS medical experts provide SSA with a neutral ground for debate and analysis of emerging issues. NAS also provides publically available reports, which include findings and conclusions related to improving the SSA disability programs.

Office of Research, Evaluation, and Statistics (ORES) - ORES is a Federal statistical unit responsible for the production and dissemination of research and data on Social Security programs. ORES meets these responsibilities through three primary functions:

- **Research and Evaluation** – ORES produces findings on the Social Security retirement, disability, and SSI programs from research and microsimulation projects supported through intramural and extramural programs. Examples include research projects supported by grants to independent third-party analysts through the Retirement and Disability Research Consortiums; microsimulation model development and implementation (i.e. MINT8); and working papers by SSA staff covering SSA program areas primarily using administrative record data.
- **Data Infrastructure** – ORES, a principal statistical unit of the U.S. Federal Government, engages in activities intended to develop program and survey data to support the agency's research and statistical objectives. These activities include providing administrative data to internal and external partners to support program research, developing administrative linkages to external data sources (e.g. the HRS), and partnering with entities to enhance data supporting program research (e.g., IAAs to develop data resources, interaction with the Committee on National Statistics, and coordination with the Interagency Council on Statistical Policy).
- **Dissemination** – maintaining a schedule of research and statistical publications allows ORES to both achieve agency goals and meet requirements for Federal statistical units. ORES statisticians and researchers collaborate with the information resources team to provide reliable data about key Social Security program variables (e.g. trends in applications, benefits, earnings, etc.), information about the design of social insurance programs around the world to support comparative research, as well as social and behavioral research related to SSA programs.

RESEARCH INVESTMENT CRITERIA

The agency supports research to better understand the socio-economic status of Americans under the program we administer; how changes in demography and the economy might alter the well-being of the program and those it covers; the interrelationships between the program and other private and public programs; and the impact of the program on the overall economy. Within this framework, our extramural program places the best available evidence into the hands of policymakers to inform policy development and program administration. We have established guidelines for developing, managing, and vetting projects for potential inclusion in our long-term research and demonstration agenda. We employ a variety of methods to ensure: 1) that we meet the funding requirements of the sections of the Act that authorize our extramural research and demonstration activities; and 2) that our extramural research activities meet high standards for relevance, quality, and performance.

Relevance

The primary purpose of our extramural research is to support evidence building to inform the improvement of our programs. We seek to support research and demonstrations that clearly connect with this goal. A fundamental step in SSA's review is assuring that each project responds to issues facing the OASDI and/or SSI programs, with priority towards contemporaneous challenges facing the agency. Our review process includes obtaining the advice and recommendations of researchers with technical expertise, program managers, and agency executives. We also receive input on our research program from the Social Security Advisory Board. The extramural research budget undergoes careful scrutiny both within SSA and by external monitoring authorities.

Internal reviews also help to ensure that funded activities reflect SSA's strategic goals and objectives and help us respond to legislative requirements and address high-priority issues. Many of our extramural research activities are directed toward providing policymakers and the public with the analytical and data resources they need to assess current SSA programs and the implications of reform proposals.

Our budget request reflects our support of the Administration's and Congress' ongoing goals to provide opportunities for disability beneficiaries to maximize their self-sufficiency through work and to increase the American public's basic financial management skills. For example, we are working collaboratively with the DOL, ED, and HHS in this area to test interventions that will improve the postsecondary education and employment outcomes of children who receive SSI. We also propose working with DOL to test early intervention and return-to-work services for individuals with work-related impairments likely to receive DI or SSI.

Quality

Our extramural program provides access to analysts at top research institutions from around the country to expand our base of expertise to produce the best evidence in support of our program. We use a competitive, merit-based, peer reviewed procurement process to ensure that our extramural research program selects the most appropriate individuals and techniques to produce high quality results. We award nearly all of our extramural research projects conducted by private-sector organizations through competitive contracts, grants, or cooperative agreements. As a result, our extramural program features internationally recognized scholars including many

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that have held important Federal posts (e.g. Council of Economic Advisors) and received significant recognition for their research contributions (e.g. the John Bates Clark Medal).

We also make use of technical evaluation panels to review projects while they are in progress and to provide feedback and suggestions to the agency. These panels include internal experts in relevant disciplines, such as statistics, economics, and survey design. They help ensure that SSA-sponsored research projects are methodologically sound and consistent with professional standards. The research projects that we sponsor through the RRC and DRC are often discussed in a formal seminars or workshops as well as published in top peer reviewed scientific journals.

Performance

We carry out our extramural research and evaluation projects primarily through contracts, jointly funded cooperative agreements, and grants that identify specific deliverables and timetables. The agency has sent a strong message to contractors that they must complete projects on time and within budget. Contracting Officers, Contracting Officers Technical Representatives, analysts, and senior executives monitor the progress of all research contracts and agreements. These agreements are also subject to audits by the Office of the Inspector General.

Consistent with the Administration's encouragement to support evidence-based evaluations, we produce reports and data files for each research and evaluation project in an effort to determine whether existing or proposed programs work as designed. Where appropriate, we make these reports publicly available or announce their availability in the *Social Security Bulletin* and online.¹ The RRC also disseminates output at annual meetings, online, and through a variety of publications, workshops, and conferences. Finally, agency funded research projects based on SIPP, HRS, and the MINT model are widely cited in both peer-reviewed publications and the mainstream press.

¹ Social Security's research publication, the Social Security Bulletin, features peer-reviewed research articles produced by agency research staff as well as third-party contributors. Recent publications include Dushi, Iams and Trenkamp (2017), "The Importance of Social Security Benefits to the Income of the Aged Population", 77(2) <https://mwww.ba.ssa.gov/policy/docs/ssb/v77n2/v77n2p1.html> and Dushi, Iams, and Tamborini (2017) "Contributory Retirement Saving Plans: Differences Across Earnings Groups and Implications for Retirement Security", 77(2) <https://mwww.ba.ssa.gov/policy/docs/ssb/v77n2/v77n2p13.html>. Our extramural partners often publish supported research in scholarly journals. Recent examples include, but are not limited to: Chetty R, Stepner M, Abraham S, Lin S, Scuderi B, Turner N, Bergeron A, Cutler D. (2016), "The Association Between Income and Life Expectancy in the United States, 2001-2014", JAMA 315(16):1750-1766; Baicker K, Finkelstein A, Song J, and Taubman S, (2014), "The Impact of Medicaid on Labor Market Activity and Program Participation: Evidence from the Oregon Health Insurance Experiment", American Economic Review: Papers and Proceedings, 104(5): 322-328; Gustman A, Steinmeier T, and Tabatabai N, (2017), "Means Testing Social Security: Income versus Wealth", National Tax Journal 70 (1), 111-132; Deshpande M. (2016), "The Effect of Disability Payments on Household Earnings and Income: Evidence from the SSI Children's Program", Review of Economics and Statistics, 98(4): 638-654; Banerjee, Sudipto & Blau, David (2016). "Employment Trends by Age in the United States: Why Are Older Workers Different." Journal of Human Resources. Vol. 51(1): 163-199; Levy H, Buchmueller T, and Nikpay S. (2016), "Health Reform and Retirement", Journals of Gerontology Series B. 115: 1-10; De Nardi, M, French E and Jones J B. (2016), "Medicaid Insurance in Old Age", The American Economic Review, 106 (11:) 3480-3520; Gettens J and Henry A D. (2015), "Employment-Related Health Insurance and Service Delivery Needs of Persons with Disabilities," Journal of Disability Policy Studies 26(3): 164-172; Rutledge M (2016), "How Do Financial Resources Affect the Timing of Retirement After a Job Separation?", Industrial and Labor Relations Review 69(5): 1249-1279.

PILOT PROGRAMS

SSA regularly conducts pilot programs prior to implementing large-scale policy changes. In its Committee Report 115-244, the House Committee on Appropriations directed SSA to include information about its pilot programs in the FY 2019 Congressional Justification. More specifically, for any new pilot launched in the prior fiscal year, or proposed in the current or budget year, the Committee directed SSA to provide a description of the pilot and what measures SSA will use to determine effectiveness. In addition, the Committee expects that, prior to undertaking any new pilots, SSA will ensure that it has developed a research design which includes adequate metrics to determine the pilot's effectiveness.

In support of these directives, we have provided a brief description of our FYs 2018 and 2019 proposed pilots as well as our recently launched pilots from FY 2017. We also have included information on metrics we are using to evaluate whether we should move forward with implementing the piloted changes more broadly. All of our pilots are designed to include enough participants to enable us to measure statistically significant and policy-relevant impacts, both of which are necessary to analyze performance and outcomes. When conducting a pilot, we evaluate:

- Participation—documenting the recruitment, enrollment, and participation in the pilot;
- Fidelity—using quantitative and qualitative analyses to determine if the pilot was conducted as intended; and
- Effectiveness—measured by impact analyses to assess the effectiveness of interventions by comparing outcomes for participants, as well as cost-benefit analysis, looking at intervention costs and benefits.

Supported Employment Demonstration (SED): By offering an evidence-based package of integrated employment and mental health services, this pilot aims to improve employment outcomes of recently denied disability applicants with alleged psychiatric impairments. Enrollees are randomly assigned to one of three groups, each consisting of 1,000 participants: a Full-Service treatment condition, a Basic-Service treatment condition, or a Usual Services control group. Data collected for evaluation includes computer-aided baseline (in person) and quarterly telephone interviews with enrollees; program data from multiple SSA program files; site-level program data; site visits with independent assessments; qualitative interviews with site administrators and service providers; and focus groups with treatment study enrollees. The goal of this pilot is to foster employment, improve mental health and quality of life, and reduce the demand for disability benefits.

SSI Elderly Mailing Pilot: Several research studies indicate that a large number of low-income seniors do not receive SSI even though they are potentially eligible for payments. This pilot looks to identify what specific language, if any, has the greatest effect on SSI participation among potentially eligible low-benefit OASDI beneficiaries. In September 2017, we sent one of four differently worded notices to randomly selected groups of low-benefit OASDI beneficiaries meeting the inclusion criteria. We will use program records on the rates of SSI applications and awards to measure the effect of the notices on SSI applications as compared to a control group, who did not receive a notice.

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Promoting Opportunity Demonstration (POD): The Bipartisan Budget Act of 2015 directs SSA to conduct a five-year (2017 to 2021) demonstration to test a benefit offset for DI beneficiaries, including a simplification of work incentives. Participants report work activity and we apply the benefit offset on a monthly basis. Approximately 15,000 beneficiaries will be enrolled into POD and randomly assigned into three groups – a control group and two treatment groups – with each group having about 5,000 beneficiaries. We will test the effect of the policy changes on the employment-related behaviors of beneficiaries using multiple SSA program files and surveys.

Retaining Employment & Talent After Injury/Illness Network (RETAIN) – Evaluation: RETAIN is a joint demonstration with the DOL that will test early interventions to help workers stay at work or return to work after experiencing a work-threatening injury, illness, or disability. RETAIN is loosely modeled on several promising early intervention programs run by the Washington State workers' compensation system, which provides early intervention and return-to-work services for individuals with work-related health conditions. This pilot will expand on these early intervention programs by placing increased emphasis on employment-related supports to reduce long-term disability – including the need for Federal disability programs – and increase labor force participation. DOL will award cooperative agreements to states to operate RETAIN projects, and SSA will provide an independent, comprehensive national evaluation of all of the State projects.

Promoting Employment through Early Interventions Demonstration: In FY 2019, we will work with the Administration for Children and Families (ACF) in HHS (through an Interagency Agreement (IAA), Jointly-Financed Cooperative Agreement (JFCA), or other mechanism (including contracts) to develop a demonstration that focuses on potential Supplemental Security Income (SSI) applicants using employment and training strategies in state and local social services and workforce development agencies and organizations. Development of new early intervention models would build upon recent lessons and findings from innovative local programs and relevant demonstrations and research including early assessment of disability or work-limiting health conditions; efficient program referrals; improved case management; supported employment; and executive-functioning, goal setting and coaching interventions.

Ultimate Work Incentive Demonstration: This pilot demonstration tests the widespread assumption that beneficiaries respond to financial incentives by removing all earnings rules and other work impediments from the DI program. We will randomly assign beneficiaries into at least two groups—a control group and treatment group (additional treatment groups will be needed if additional policies will be tested). The treatment group will not be required to report any earnings to SSA and any earnings will not affect their eligibility for DI. If implemented, we will test the extent to which the DI program's treatment of earnings restrain or promote beneficiary employment using multiple SSA program files.

Exits from Disability Demonstration: In FY 2018, we will develop the criteria for a new demonstration, to begin in FY 2019, testing new and enhanced supports for individuals exiting DI or SSI due to a CDR. By providing support to beneficiaries or former beneficiaries who are able to work, SSA can reduce the number of individuals who later return to DI and SSI and increase the cost effectiveness of CDRs. We will test the effect of the policy changes on the employment-related behaviors of beneficiaries using multiple SSA program files and surveys.

Time-Limited Benefits Demonstration: In FY 2018, we will develop the criteria for a new demonstration, to begin in FY 2019, testing time-limited benefits in the DI and SSI programs. This demonstration would test whether providing time-limited benefits—either by requiring a new application or conducting a CDR without the Medical Improvement Review Standard requirement—to claimants increases labor force participation and if so, to what extent it reduces participation in disability benefits after the initial period. This will improve the accuracy of actuarial estimates about such changes and increase our understanding of administrative impacts. We will measure employment using program data on earnings and disability program participation.